No. 31,718

South Korea Says Kim Is Responsible For Use of Force

By Clyde Haberman

SEOUL - The South Korean anthorities have acknowledged that some force was used against the opposition leader, Kim Dae Jung, when he returned Friday after two years of self-imposed exile in the

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71.27 (194. Br.) 7.17.17.17.17 (194. Br.) med assertious that South Korean security agents had beaten and kicked Mr. Kim and prominent prayeling with him.

> body," a government spokesman. Kim from his American backers. Choi Tae Soon, said Saturday.

Rather, Mr. Choi said, it was Mr. ored by the Korean government."

Kim who was guilty of violence. Mr. Walker said, adding: "We reThe spokesman said that, while at
gret what happened at the airport Kimpo International Airport, Mr. and deplore the conduct of those Kim punched a police official and responsible." threatened to strike him with his

virtual house arrest since returning, separated Mr. Kim from his com-denied the accusations. He said he panions as a security measure since might have pushed a policeman, but only in anger and only after he had been pushed first.

The charges and countercharges surrounding his homecoming have ruffled normally smooth relations between South Korea and its principal ally, the United States.

Weeks before Mr. Kim's muchberalded return, the State Department had expressed hope that the event would be "trouble free." On Saturday, the U.S. Embassy in Seoul seemed both embarrassed and defensive over allegations by Americans in Mr. Kim's party that it had not done enough to protect

accompanied Mr. Kim in a move to ensure his safety wanted to have dinner Saturday night with another opposition leader, Kim Young Sam, but could not when the au-thorities refused to let him leave his

Kim Young Sam, who along with Kim Dae Jung is among 15 South Koreans banned from political activity, has been confined to his incident to draw attention to Mr. home sporadically over the last Kim.

night that it had yet to receive a Foreign Ministry response to its protest over the treatment of Mr. about the incident with President

been punched, kicked and thrown the delegation to meet with him to to the floor by officers at the air- give the full facts of the case. port Friday were two Democratic

man rights affairs. Patricia Derian, and a former ambassador to El Salvador, Robert E. White.

The U.S. ambassador to South Korea, Richard L. Walker, accused the government on Saturday of

But the government strongly de-ied assertions that South Korean been permitted to greet Mr. Kim and his supporters as they left their American supporters who were kept far away and the fracas broke out along an indoor runway lead-They could have used force, but ing from the plane as security certainly they did not attack any agents rushed in to separate Mr.

> That agreement was not honresponsible."

Mr. Kim, who has been under dent, Mr. Choi said the police had eryone in an elevator. Any force used, he said, came only after the opposition leader and the others

> Envoy Claims 'Provocation' Post reported from Seoul:

Mr. Walker said Sunday that the

He said that an advance delegation that came to Seoul earlier to make preparations had told the em-bassy that the group had agreed that Mr. Kim would be separated from it on reaching the airport. But after they got off the plane,

Walker said. Saying their actions appeared to be "purposeful provocation," Mr. Walker said the stage was set for

police to use physical force to sepa-

Members of the delegation re-The U.S. Embassy said Saturday jected Mr. Walker's version of events and accused him of failing in his duty by not seeking a meeting Kim and the human rights activists Chun Doo Hwan, not accompanyith him.

Among those who said they had Ministry meeting and not inviting

Mr. Walker's behavior "sent a representatives. Edward F. strong and unmistakable signal of ghan of Ohio and Thomas M. lack of interest on the part of the



fronting police who prevented him from leaving his Seoul

having reneged on an agreement that "might have prevented what happened."

Mr. Walker said that embassy

in presenting the government's detailed version of the airport incithere was not enough room for ev-

John Burgess of The Washington

group accompanying Mr. Kim may have deliberately provoked a scut-

Foglietta of Pennsylvania; a former American government," the stateassistant secretary of state for hu- ment said.



Kim Young Sam, a South Korean opposition leader, conhome to attend a dinner with a group of American backers.

plane. Instead, the diplomats were

PHUM THMEY, Cambodia - Prince Norodom Sihanouk drank champagne toasts on Saturday with ambassadors to the Cambofle with police at the airport. dian coalition government he heads and vowed to continue fighting the Vietnamese occupation of his country for generations if

Accompanied by his wife, Monique, and a retinue that included his fluffy white toy spaniel, Prince Sihanouk greeted leaders of the Khmer Rouge guerrilla group, attired in members linked arms with Mr. Kim and refused to leave him, Mr. village run by the Khmer Rouge in an embat-

tled corner of western Cambodia.

By Joel Brinkley

New York Times Service

WASHINGTON — A new Reagan administration white paper as-

serts that the Soviet Union, using

Cuba, is trying to turn all of Cen-

An introduction by Defense Sec-

retary Caspar W. Weinberger, cit-

countries in that part of the world."

senior administration officials

Since 1981, the Reagan adminis-

viet Union and Cuba were behind

several communist insurgencies in

Central America, and it has pub-

lished several white papers to mo-

bilize public and congressional

first in 1981, asserting connections

A senior government official fa-

distribution soon.

sources outside government, but denied.

U.S. Cites Soviet Aims

Cuba, is trying to turn all of Cea-tral America into a satellite of the the Soviet Union and Cuba are

ing papers seized in Grenada, Colombia as well, It provides new

quotes Foreign Minister Andrei A. details to support those assertions

Gromyko of the Soviet Union as but in most cases does not explain

The paper was prepared as part says, El Salvador, Guatemala, of an effort to persuade Congress Honduras and Colombia "appear

to approve the administration's to be high on the Cuban priority new aid package for Central American Nicaragua, it says, already is a

ica. The paper has not been made virtual Soviet satellite, a contention

elaborated on its assertions. It is to adds, "that the countries of Central

be printed and given widespread America and the Caribbean are at a

tration has contended that the So-viet Union and Cuba were behind assist the countries of the region."

Administration critics have been dition, President Ronald Reagan,

skeptical about the conclusions of in his State of the Union Message

Nicaragua are "living examples for and methods of operation.

For Central America

By William Branigin
Washington Post Service

battle zone in Vietnam's current dry-season offensive to carry out government ceremonies on Cambodian soil, Prince Sihanouk aimed to buttress his resistance coalition's stature as the UN-recognized government of Cambo-

Prince Sihanouk at a rebel base in. Cambodia greeting Khmer leaders, Khieu Samphan, right, and Ieng Sary, center.

The ceremonies of accepting the credentials of ambassadors from Senegal, North Korea, Bangladesh and Mauritania went off without a hitch. Only an occasional faint boom of artillery could be heard in the dis-But it was clear, despite the flights of

rhetoric, that the resistance coalition's "libersuits and ties, during his visit to this jungle ated zone" is shrinking before the Vietnamese onslaught.

Since November, Viernamese occupation By taking the risk of entering a potential forces have systematically overrun every ma-

miliar with much of the intelligence

information used to prepare the

new paper said: "Sometimes they

formation than is warranted, in my

actively promoting communist rev-

olution in every country of Central

America except Costa Rica, and in

"At the moment" the paper

"There is no doubt," the paper

critical juncture. But that can be

the impetus for the United States to

The administration's budget

proposal, announced last week, re-

quests more than \$1.1 billion in

military and economic aid for the

nations of Central America. In ad-

(Continued on Page 3, Col. 1)

make more out the intelligence in-

Sihanouk Holds Champagne Party in Cambodia jor non-Communist resistance settlement on the Cambodian side of the border with Thailand, dealing setbacks to the Khmer People's National Liberation Front led by Son Sann. Now, the Vietnamese have turned their forces against the Communist Khmer Rouge, unching a pincers attack from the south and east aimed at the Phnom Malai base area of which this village is the showpiece and cere-monial attraction.

Khmer Rouge leaders, including Kheiu Samphan and leng Sary, were reluctant to give details of the current lighting. But Mr. imphan, the titular Khmer Rouge leader and vice president of Prince Sihanouk's resistance coalition, claimed that his guerrillas were doing "better than last dry season" by counterattacking the Vietnamese.

NATO Is Urged To Back U.S. on **Space Defense**

By James Markham Vew York Times Service

BONN — Caspar W. Weinberger, the U.S. defense secretary, appealed to West European nations on Sunday to support the Reagan administration's space weapons program, saying that defensive

Some U.S. analysts believe the Reagan plan would kill the anti-ballistic missile treaty. Page 3.

weapons would promote stability between the superpowers and reduce the risk of war.

Mr. Weinberger was to speak at the second day of a security semi-nar in Munich, which had drawn 150 NATO officials and experts. But bad weather in London blocked his plane and his speech was read by Richard N. Perle, the assistant secretary of defense for legislative affairs.

"An effective defense - even if it were not a perfect defense, al-though we would always strive to make it perfect - could substantially raise the costs and enhance the uncertainty of aggression," said Mr. Perle, reading the prepared text. "It would especially reduce the advantage of preemptive at-tack, and thus promote stability."

"Finally," the text continued, "it world in which the Soviets - and the Soviets alone - could brandish their sword from behind the protective shield they are continuing to

Mr. Weinberger's address was aimed at a considerable body of opinion in Western Europe that regards the Strategic Defense Initiative — popularly known as the "star wars" plan — as destabilizing to the superpower relationship, impossibly expensive, unlikely to be effective and possibly threatening

Treaty Organization.
On Saturday, Chancellor Helmut Kohl gave a qualified endorsement to the research aspects of the program while France's defense minister, Charles Hernu, openly expressed criticism of it. Delense experts in both France and Britain

have been particularly dubious about the space weapons program. Mr. Kohl cautioned that it was "too early to reach a final judg-ment" on anti-missile defenses. But he said that by the end of this decade such a program must take into account "the strategic unity of the alliance area" — that is, the United States and Western Europe - and avoid possibly dangerous instabilities in a transition period

to deployment. His words reflected widespread concern among West European ex-perts that an effective U.S. antimissile defense could lead to a "decoupling" of Western Europe from the defense of the United States unless Europe were protected as

Mr. Hernu expressed misgivings, saying they would accelerate the arms race in offensive systems. "If such systems were to be deployed." said Mr. Hernu, "one could easily imagine that the old dichotomy of the spear and the sword would extend to the field of nuclear weap-

"It is not certain that the balance that would result from the deployment of defensive systems and the reduction in offensive weapons would really be stable," he said. The strongest probability is still that the deployment of defensive systems would relaunch an offen-

ve arms race." The Reagan administration bas asked for \$3.77 billion for space weapons research in the 1986 fiscal year - compared to the current level of \$1.4 billion. "We may not be able to deploy a successful strategic defense in the president's second term," the Weinberger address said. Many experts, however, think that such a system cannot be de-

ployed earlier than the 1990s. Mr. Weinberger's speech sought to counter the argument that a space weapons system would unfermine the Anti-Ballistic Missile Treaty that was signed in 1972. The treaty limited each side to one antimissile site.

"The question we face," the Weinberger text said, "is whether we are willing, in the 1980s, to preclude the possibility of developing, in the 1990s and beyond - with wholly new technologies unknown to people who drafted the ABM treaty - an effective defense against ballistic missiles.

"Are we truly such hostages of the past that we can never even consider a hetter way - a way to keep the peace that offers hope in (Continued on Page 2, Col. 6)



Mengistu Haile Mariam

saying that the region is "a boiling the source of the information. An cauldron" ripe for "revolutionary administration official said that expansionism," and that Cuba and was to protect intelligence sources Austerity Plan Is Announced ica. The paper has not been made virtual Soviet satellité, a contention public. A copy was obtained from that the Sandinist government has **By Ethiopia**

killed about one million people. In a message to the nation on radio and television on Saturday, Colonel Mengistu also said that all Ethiopians qualified to help fight the famine would be organized to

The Associated Press ADDIS ABABA, Ethiopia — Lieutenant Colonel Mengistu Haile Mariam, the Ethiopian leader, has announced several austerity measures, including fuel rationing and a ban on luxury imports, to combat a famine that already has

work in drought relief camps.

some of the papers, particularly the on Wednesday, urged Congress to renew aid to the Nicaraguan rebels, between the Soviet Union and Sal- whom he called "freedom fighters." He added that all Ethiopians, at home and abroad, would be asked If the United States does not (Continued on Page 2, Col. 4)

Would Harm U.S. Cities By Karen Tumulty Los Angeles Times Service NEW YORK - As the House Budget Committee began a six-city tour of bearings on President Ronald Reagan's fiscal 1986 budget. fighters. officials testified that proposed cuts in social programs would devastate New York and other urban

Officials Assert Budget

day and end Feb. 18, the committee will travel across the country to solicit public comment on the president's budget proposals and deficit-reduction alternatives. Democrats, who control the

committee, hope the hearings will help fix the blame for the deficit, and the unpleasant choices required to bring it under control, on the White House.

Saturday's hearing focused on urban problems, in light of the ad-ministration's plan to end such programs as mass transit subsidies, urban development grants and the federal sharing of tax revenue.

"This budget cuts the core out of the Big Apple," said Representa-tive Charles E. Schumer, a Democrat of New York, "For the average New Yorker, the Reagan proposal will mean higher transit fares, more expensive health care, a continuing decline in rental housing, a cut in school-lunch programs, dramatic cuts in the number of teachers in the New York public school system, and a continuing deterioration in basic sewerage and water-treat-

ment facilities." Mayor Edward I. Koch of New

his city is back on sound financial footing a decade after the financial crisis that almost left it bankrupt, it still has 3,000 fewer police officers than it did then, and needs more teachers, sanitary workers and fire-He said that Mr. Reagan's bud-

get would cost the city more than \$1 billion a year, about 5 percent of its budget. In the hearings that began Satur-"It would be impossible for us to make up the gap" if Congress went

along with the administration's

proposals, Mr. Koch said. "We

have income taxes, corporate taxes. sales taxes, occupancy taxes - to ask us to do even more when we are working our way out of this morass is simply unfair." But Representative Delbert L. Lana, an Ohio Republican who is the ranking Republican on the committee, replied: "The federal government helped bail you out

The federal government is asking you to help us out." City Councillor Pamela P. Plumb of Portland, Maine, testifying on behalf of the National League of Cities, said that her city would have to increase property taxes by 10 percent to make up for the proposed funding cuts. She said the effect of the budget on Portland was typical for small and mid-sized

You hear that Americans say they want to get the government off their back." Mrs. Plumb said. "But we've had hearings neighborhoodby-neighborhood and not a single person has said that. They've asked for more policemen and more firemen and more services."

Reagan Presses Congress President Reagan demanded Saturday that Congress act quickly to approve his budget and give him new constitutional authority to cut

spending on his own. United Press

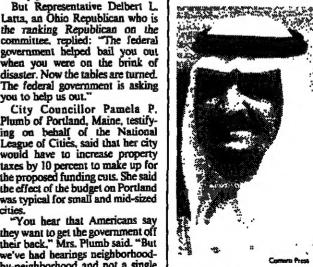
International reported. In his weekly radio address, Mr. Reagan said that in Congress, "already we're bearing the old familiar voices telling us to slow down, pre-pare to slash the defense budget and raise taxes, all in the name of reducing projected budget defi-

"Well," he added, "those arguments were rejected on November

"I urge the Congress to move quickly on a spending cut package that will reduce overall government

Mr. Reagan renewed his call for a constitutional amendment requiring a balanced budget and afor new authority to veto individual

In a Democratic response, Senathe problems of American farmers.



King Fahd of Saudi Arabia arrived in the United States on Sunday for talks with President Ronald Reagan. Page 5.

INSIDE

■ Margaret Thatcher marks 10 years as Britain's Conservative Party leader.

Pakistanis are preparing to vote in an election in which political parties, rallies and loudspeakers are banned. Page 4.

■ Israeli settlers in the West Bank now number 42,500, according to a new study. Page 5

BUSINESS/FINANCE

Latin American debtor na tions ended a meeting by realfirming their basic demands for easier payment terms. Page 7.

PERSONAL INVESTING

■ Washington is at loggerheads with several governments over proposed rules for foreign in-Page 9.

Graphic Anti-Abortion Film Touches Off Controversy in U.S.

By Ruth Marcus

neton Post Service WASHINGTON - "The Silent

"A picture's worth a thousand words." The three major television networks and and this says it all," said Kathleen C. Cable News Network have all shown ex-Sweet, executive director of Right-to-Life cerpts on their news programs. of Maryland. "Any child that's sucking its thumb is more than a blob of tissue."

ingly impressed by the publicity that "The agonizing pain" during abortions, praised ularly the narration describing the fetus' actions during the abortion. Some medical sary of the Supreme Court decision legalizexperts also have contended that the de-ing abortion. scription of the fetus experiencing pain and

not based on medical fact. anson, said, "We wanted to bring abortion they will." He is to receive a commemorahome as reality, much as pictures of the tive copy of the film at a White House mushroom cloud at Hiroshima." Dr. Nathanson is a co-founder of the National became a fervent opponent of the procewould be available." said Don Tanner of ened imminently with extinction, it is move sive.

Since the movie's release in early De-Scream, a film showing the suction abortion of a 12-week-old fetus, has become the tion of a 12-week-old lettus, has become the right-to-life movement's leading weapon in settles and \$400 for 16-millimeter films.

President Ronald Reagan, who provided the inspiration for the film with his asser-Abortion rights activists, while grudg- tion last year that fetuses suffer "long and Silent Scream" has generated, complain it last month in his remarks to more than that it is inaccurate and misleading, partic- 71,500 protesters in Washington for the annual March for Life on the 12th anniver-

"It's been said that if every member of trying to escape the abortion instruments is Congress could see that film, they would ot based on medical fact.

The film's narrator, Dr. Bernard Nathmove quickly to end the tragedy of abortion," Mr. Reagan said, "and I pray that

"We heard that on the radio, and we see the child's mouth wide open in a silent Abortion Rights Action League who later immediately sent a telegram saying it scream, the silent scream of a child threathas abortion rights advocates on the defendance.

gress and the Supreme Court.

The film is a sonogram, which consists of computer-reconstructed images of echoes from high frequency sound waves aimed at the uterus. It depicts the abortion procedure in grainy black-and-white footage. The fetus, first floating in the womb,

churns violently when the suction tube for a vacuum abortion is inserted in the uterus. The fetus is clearly visible before the abortion begins, but the picture becomes less clear once it is under way. At the start of the procedure, Dr. Nath-

We can see the child moving rather se-

renely in the uterus. The mouth is receiving

the thumb of the child, the child again is

moving quietly in its sanctuary." Then, as the doctor inserts the suction course, but I would not want to say it's tube, Dr. Nathanson says: "We can see the incorrect. I certainly think that the fetus tip moving back and forth as the abortion- could feel some pain. The nervous system ist seeks the child's body. Once again we is quite well developed by then."

dure be estimates that he has performed

American Portrait Films. The company is ing away, one can see it moving to the left duplicating copies to be donated to the side of the uterus in an attempt, a pathetic to-life movement has put out to date," Dr White House and sent to members of Con- attempt, to escape the inexorable instru- Allan Rosenfield, chairman of the Board of ments which the abortionist is using to extinguish its life." Some medical experts have challenged

dure. At 12 weeks, the fetus's nervous system lacks the synapses that would transmit neurological impulses, and therefore cannot experience pain, said Dr. Pasko Rakic, an expert in fetal development at the Yale University School of Medicine. As for the description of the fetus at-

tempting to escape from the suction tube, he said. "This is like saying a Ping-Pong ball moves when you put it in a bowl of anson says in the accompanying narration: water and stir it with a pencil." But Dr. Ronan O'Rahilly, a fetal-development specialist at the University of California at Davis, said of the narration: "It's

Whether or not it is accurate, the film

a rather highly emotional account, of

"It's the most powerful thing the right-Planned Parenthood Federation of America, said. "We need to come up with something that focuses on the woman. That part Dr. Nathanson's description of the proce- of the story, from the perspective of the woman, needs to get the same type of visibility 'The Silent Scream' has received." Barbara Radford, executive director of

> the National Abortion Federation, said that Dr. Nathanson was "hawking it as "We know it isn't truth and we will get as many people as we can who are better scientists than he is to say it isn't truth,"

She also said, "I think we definitely have spending growth," he said. to get our acts together as far as helping the American public remember what illegal abortion was like."

Planned Parenthood is considering making its own film featuring shots of unwant- items in large appropriation bills. ed, abandoned children in Latin American countries where abortion is illegal, as well tor J. James Exon of Nebraska acas pictures it has collected of women who cused Mr. Reagan of "glossing over suffered injuries or died as the result of a raging economic firestorm" illegal abortions in the United States.

Thatcher Marks 10 Years as Party Chief, But Her Success Is Flawed

By Michael Getler Washington Past Service

LONDON - Ten years ago, a determined but relatively unknown member of Parliament, Margaret Hilda Thatcher, challenged the estabished leaders of Britain's then opposition Conservative Party and won the right to lead it.

Today, after almost six years as prime minister, Mrs. Thatcher and "Thatcherism" dominate and divide British politics and public life.

Deeply conservative, the 59-year-old daughter of a grocer still "lives above the store" at 10 Downing Street and is, by all accounts, a formi-dable political leader: tough, articulate, informed and relentless.

Mrs. Thatcher may well be on her way to becoming Britain's longest continually serving prime minister, with three years left of her second term and apparently in good shape to

win a third five-year term at the next election.

She is blessed with a fractured, and some say politically suicidal, opposition. This enables her to hold a 141-seat majority in the House of Commons, even though only about 43 percent of voters backed her in the 1983 election.

Yet, to many people, including some of her admirers, Mrs. Thatcher has a serious political flaw — usually described as an abrasiveness. It manifests itself in a desire for total victory, a guilt-by-association style of rhetoric aimed at her enemies, and a seeming lack of compassion for those outside her cult of individual initiative.

Many commentators believe it contributes to

Indeed, if a line were drawn across Britain from southern London in the east to southern Bristol in the west, one would find no Labor Party parliamentary representatives to the south and no Conservative control of any major city to

Ten years after her success in gaining control

NEWS ANALYSIS

of her party on Feb. 11, 1975, four aspects of her

stewardship seem to dominate: • She has become the most radical prime minister in many years and is beginning to leave marks on British society that probably will en-dure. These include reducing the degree to which people look to government to solve their problems, rolling back controls ranging from those on overseas investment to waves and those on overseas investment to wages and prices, tackling head-on the power of big labor unions, and selling off about \$8 billion worth of state-owned industries.

 Her personality atienates many people, from average Britons to a number of foreign leaders with whom she has tangled in Ireland and Western Europe, and threatens to obscure or overturn what she is trying to accomplish.

 Her total dominance of the political scene, and the relative weakness of the opposition. and may even accelerate the growing polariza-tion between the decaying industrial North and no coherent alternative to Thatcherism being

Yuri V. Andropov

out the program developed by Brezhnev and Andropov.

Union's Cardiology Research Cen-

Chernenko's Health

ter, I l-month coal miners' strike. But it is not certain that Britain as a whole is cut out to respond to Mrs. Thatcher's brand of aggressive global marketing and competitive-

now looks likely, emerges victorious in the bit-

will succeed in shaking up her countrymen —

reintroducing what she calls an "enterprise and

The prime minister has successfully slashed

inflation from 20 percent to 5 percent, although partly at the cost of 3.3 million unemployed.

British growth has continued, slowly, despite

the recession of a few years ago. And both economic growth and Mrs. Thatcher's populari-

Thus, despite her unquestionable political power, Mrs. Thatcher is a figure of ambivalence — admired by many for her grit and goals. despised by many who see her as cruelly disregarding the plight of the have-nots, and frustrated by many who see her as unnecessarily con-

London Council whose job the prime minister is

eliminating.
"I think I admire the determination," Mr.

the prosperous South, and between the record voiced, but also that significant minority groups Livingstone told a television interviewer. "be-ment some of whom would prefer a more mod-rank percent unemployed and the rest of the and opinions have few channels through which cause all the track record of the last 30 years is a erate and traditional brand of Torvism. series of prime ministers who are just blown backwards and forwards by events. Now Mrs. • It is still not clear whether Mrs. Thatcher Thatcher's tried to impose her personality on entrepreneurial culture" into a country that has admirable. It means that people know what had a substantial dose of socialism in recent they're getting when they vote for her."

among the small group of leaders "who are able to articulate hopes and fears, and they change hearts and minds and shift political opinion."

"I think Mrs. Thatcher detected after 30 years basically of the welfare state, a growing disillusion with bureaucracy, a feeling that peo-ple had to pay too much in tax." Mr. Living-stone said, "and she very skillfully turned that ty could be strengthened if the government, as against socialism, though it wasn't all the fault of socialism by any means. But people can identify with it But, he added: "If you've got that degree of

determination and ruthlessness, you have to be much more sensitive to the moods of public opinion. You've got to be more than the average prime minister and be acutely aware of the broad consensus that exists in the country." That is what Mrs. Thatcher does not have, he

From the start, Mrs. Thatcher has been an This ambivalence is perhaps best described by one of Mrs. Thatcher's major targets. Ken Livingstone, the socialist leader of the Greater London Council whose job the prime minister is and her appeal has eroded not only the solidari-

"Her government has brought the country face to face with its decline and administered a shock to the system, which has been most saluevents and the Civil Service, and that I find very tary and overdue," wrote Peter Jenkins, a columnist for The Guardian, "But never has she found the words to clothe her policies in nation-Mrs. Thatcher. Mr. Livingstone continued, is all purpose in which lies the art of Tory govern-

A top aide said: "It doesn't mean she doesn't care. But she has a different way of caring and that is to put the country in a position to earn its keep. The central issue is, 'Where is the money' coming from?' and you can't duck that."

Hugo Young another Guardian columnist, said: "She relishes controversy. She invites it, provokes it, rules by it, lives by it. If, occasionally, she must die by it, that is one of the risks of a game that no one before her has played. Mrs. Thatcher's conservative ideology, dedi-

cation to capitalism, individual initiative, and to leading by "conviction" rather than always seeking consensus, has frequently led to comparisons with President Ronald Reagan. But Mrs. Thatcher does not have Mr. Reagan's ability to put forward controversial pro-

grams without inflaming public opinion against him personally. "She has a problem communicating that she cares about people," said one Mrs. Thatcher aide, and Reagan doesn't have that problem, I and her appeal has eroded not only the solidari-ty of the labor unions, about a third of whose members voted for her, but also the establish-



Margaret Thatcher

Samue Encounter

On a Barrion Subway

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Pravda Pays Andropov **Tribute on Anniversary**

By Dusko Doder Washington Post Service MOSCOW — The Soviet Communist Party has paid warm tribute to its former leader, Yuri V. Andropov, who has emerged as almost a cult figure in the Soviet Union

since his death a year ago.

An editorial in the Communist Party newspaper Pravda on Saturday heaped praise on the former leader in a culogy suggesting that he is missed by members of the ruling elite as well as by ordinary

The editorial made only one mention of Andropov's successor, President Konstantin U. Chernenko, and did so in the context of continuity of Soviet policy. Diplomatic observers said the tribute seemed to underscore Moscow's commitment to Andropov's pro-

et security police and intelligence agency, before he assumed his posi- and his policies. tion in the party Secretariat in May 1982, succeeded Leonid I. Brezh-

the Kremlin leadership would un-dertake reforms. Feelings are wide-stated publicly that he is carrying outh.

spread in the Soviet Union that Andropov could have achieved more had he served longer than 15 months as the country's leader.

Pravda described Andropov not only as "an outstanding figure" and an "ardent patriot" who struggled for peace and social progress, but also praised him for a "weighty personal contribution" in establishing Communist Party strategy.

Most of the article reflected Audropov's views about future tasks facing the Soviet Union. The culogy cited many of his policies, in-cluding drives against corruption and for tighter social and labor

The tribute stood in marked contrast to a similar Pravda eulogy in November 1983 commemorating the first anniversary of Brezhnev's death. That tribute extended modgram for change.

Andropov, who served for 15 est praise to Brezhnev and hardly years as chief of the KGB, the Sovidealt with his 18 years in power. Instead, it focused on Andropov

In Saturday's eulogy, the cursory reference to Mr. Chernenko, 73, 382, succeeded Leonid I. Brezh-ev in November 1982. who has been ailing for the past six His selection raised hopes that weeks, does not indicate an attempt. Chernenko was healthy or ill, citing



PARIS - The French Communist Party re-elected Georges Marchais as its secretary-general on Sunday despite the party's electoral decline and calls by dissidents for

which party leaders resisted the de-

The party spokesman, Pierre Ju-quin, who made a plea last week for reform in the party's strategy and

A prominent Soviet heart spe-cialist sought to dispel speculation about Mr. Chernenko's health on Mr. Juquin, however, was re-elected to the 137-member central Saturday, saying that he has been working and "that means he's not dying," The Associated Press recommittee together with two other dissidents, Felix Damette and Marcel Rigout. ported from Los Angeles. However, Yevgeni Chazov, di-rector-general of the Soviet

There was other evidence of disstained Saturday on a vote to approve its next three-year platform.

ro member to abstain in the vote after the leadership rejected amendments by reformists calling for a tougher stand on human rights violations in Soviet bloc countries and less Soviet-style

Mr. Juquin told the congress on slumped to its lowest ebb since the 1920s, was losing support by refus-ing to criticize East European Communist states and ignoring the problems of new hite-collar work-

new course of all-out opposition to President François Mitterrand. His party ended a three-year govern-ment partnership with Mr. Mitter-rand's Socialists last year. Mr. Marchais said after he was

election of the dissidents to the Central Committee showed the party's openness to internal criti-Mr. Marchais attacked Mr. Ju-

Storms Batter Western Europe; 15 Killed in Highway Accidents

LONDON - Storms with high winds, heavy snow and and bitter cold spread across much of Europe on Sunday, causing hundreds of automobile accidents and disrupting travel by sea and air.

A pileup of three trucks and seven cars. blamed on snowdrifts, killed nine people on an expressway in central England on Sunday and a 50-car pileup on an icy, fogbound highway in West Germany killed six people and injured 56 others late Saturday.

The cold wave. Europe's second of the winter, stretched from Britain to central and northern Europe.

Roy O'Sullivan, a spokesman for the London Weather Center, said that no relief was in sight for at least a few days.

Temperatures plunged to minus 13 Fahrenheit (minus 25 centigrade) in Oslo on Sunday morning, a 19-year low, and were below

freezing in most other areas. Snow accumulations of nine inches (23 centimeters) were reported in central England, with drifts of four to five feet (1.2 to 1.5 meters) elsewhere. Winds were clocked at 57 mph (50 knots) in southwest

Streets were mostly clear in central London after a three-inch nowfall Saturday, but scores of roads were blocked elsewhere in

In West Germany, which was blanketed by snow six inches deep in

most places, the authorities said that more than 200 people were injured in car crashes on Saturday and Sunday.

The worst accident involved about 50 cars on the Munich-Nurem-

berg highway. Police said six persons were killed and 56 injured late Saturday when a truck carrying pigs slid out of control on the highway and overturned. The subsequent pileup caused a nine-mile (15-

Kasparov Wins in Chess,

the 48th game of the world chess

Kasparov played his 67th move with the white pieces in the game

Mr. Karpov. 33. has not won since Nov. 24, when he scored his fifth victory in the tournament at a time when Mr. Kasparov, 21, still had not won a game. Mr. Karpov needs only one more victory to retain the world championship that he has held since 1975 for another

last three victories now in the match that began Sept. 10. Forty of the games have ended in draws. overnight analysis that Mr. Karpov

ment about fuel rationing resulted

in long lines outside gas stations in Addis Ababa.

"Fuel and oil imported with for-

He said the famine, which is esti-

mated to endanger about 8.75 mil-

both the weather and human fac-

tors. He criticized farmers, whom he said were not producing enough

food despite generous government

contributions to agricultural pro-jects. Eighty-five percent of Ethio-pia's population works on farms,

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itself, he said.

ing at the chess board before Mr.

The early moves on Saturday championship, cutting the lead of were played quickly, and Mr. Kar-the champion. Anatoli Karpov. to pov tried to create counterplay by advancing his queen's knight pawn. But Mr. Kasparov first blocked it and then advanced his king to cap-

> however, managed to break through with his rook to attack Mr. Karpov's only remaining pawn.

Mr. Karpov tried to draw Mr. Kasparov into capturing the black rook. But Mr. Kasparov avoided

Mr. Karpov's resignation on his 100 or so speciators and cheers and would resign the game without re-suming play on Saturday. But Mr. team.

WORLD BRIEFS

Mandela Rejects Release From Prison

JOHANNESBURG (AFP) — Nelson Mandela, the jailed anti-apartheid leader, on Sunday rejected the South African government's conditional offer of freedom and said he would not negotiate with the authorities as long as the government maintained its policy of racial separation.

His daughter, Zinzi, read a message from Mr. Mandela, president of

the banned African National Congress, to a crowd of 6,000 people in the black city of Soweto near here. "I cherish my freedom dearly, but I care even more for your freedom," the message said.

Mr. Mandela, jailed for life for treason in 1964, promised that he would

not negotiate with the South African government until it rejected apartheid, renounced violence, legalized his organization and guaranteed political freedom for all. President Pieter W. Botha has offered to free Mr. Mandela if he renounces violence.

Papandreou to Make Visit to Moscow

ATHENS (Reuters) - Prime Minister Andreas Papandreou begins a four-day visit to Moscow on Monday to promote relations between Greece and the Soviet Union, during a period of frosty relations with Greece's chief NATO ally, the United States.

It will be Mr. Papandreou's first official visit to the Soviet Union. He has been criticized repeatedly in the West for straining the cohesion of the North Atlantic Treaty Organization and aligning himself with Soviet policies in Poland and Afghanistan.

His talks will start immediately after his arrival, when he will meet with Prime Minister Nikolai A. Tikhonov at the Kremlin. Mr. Papandreou's official agenda mentions a "high-level meeting" scheduled for Tuesday afternoon, which has been taken to indicate a meeting with President Konstantin U. Chernenko or Mikhail S. Gorbachov, a senior Politburo

France Urges UNESCO Study Group

PARIS (AP) — France has proposed to members of UNESCO's executive board that a special group be created to examine the crisis facing the 161-member organization, according to Le Monde, a French

The report on Saturday said the proposed group would represent 12 countries which are members of the UN Educational, Scientific and Cultural Organization. The group's meetings would not be subject to the authority of Amadou Mahlar M'Bow, the Senegalese director-general.

and Mr. M'Bow would not attend the sessions. UNESCO's board begins a five-day meeting on Tuesday to consider the consequences of the U.S. withdrawal from the organization. The United States pulled out Dec. 31 maintaining that the Paris-based agency had become too political, had spent too much and was badly managed. Britain and Singapore also plan to leave.

Machete to Lead Portuguese Party

LISBON (Reuters) — Portugal's divided Social Democratic Party named Rui Machete its new leader on Sunday but questions remained over whether he could overcome internal differences to guarantee stability in the coalition government of Socialists and Social Democrats.

The election of Mr. Machete, 44, currently the justice minister, came

after an all-night meeting by members of the party's national council. Party sources said the election result was a setback for supporters of Carlos Mota Pinto, the former leader who resigned Tuesday. He did not attend the meeting and rejected pleas to reconsider his resignation as

Arab, Brazilian Satellites Put in Orbit

EVRY, France (Reuters) — The Arab world's first communications satellite and a Brazilian satellite were orbiting the Earth on Sunday following a successful launch by a European Ariane-3 rocket.

The 22-minute flight of the rocket went without a hitch after lift-off late Friday night from French Guiana on the northeast coast of South

The Arabsat 1-a satellite, built principally by the French compan Aerospatiale in Toulouse, will provide telephone, telex, television and radio transmissions for 22 members of the Arab League.

Brasilsat-1, the first of two satellites built by the Canadian company Star Aerospace, is designed to function for eight years and to provide similar services.

Protesters Defy Curfew in Nouméa

NOUMEA. New Caledonia (Reuters) - Thousands of people defied New Caledonia's curfew Sunday and crowded the streets in protest independence plans for France's South Pacific territory.

Cars and pedestrians waving French flags converged on central Noumea at 11 P.M. local time, the start of the regular overnight curiew that has been strictly enforced since its imposition last month. There were no arrests, although Edgard Pisani, France's special envoy, had warned earlier that curfew breakers would be arrested.

The protest ended after a speech by Jacques Lafleur, the head of the anti-independence Rally for Caledonia in the Republic. Mr. Lafleur said that Mr. Pisani's plans for the island's independence are unacceptable.

For the Record

The New York City Council president, Carol Bellamy, announced Friday that she would challenge Mayor Edward I. Koch, a fellow Democrat, in the mayoral primary in September, Miss Bellamy, 43, has accurated May Verb at 188 accused Mr. Koch of being overly sensitive to real-estate interests and to Manhattan but not sensitive enough to the poor, to minorities and to the

Ferry traffic on the English Channel returned to normal Saturday, after French seamen of Sealink, the British state-owned ferry company, ended weeklong blockade of Dieppe, Boulogne and Calais, French officials said in Boulogne. The seamen were members of a union that was protesting an agreement on working hours signed by a competing union-

Riot police firing tear gas and wielding clubs broke up a student prayer meeting at the University of Nairobi on Sunday, injuring more than 100 students in the first serious civil unrest in Kenya since the 1982 coup

and kidnapping in a Polish court Thursday, were incorrectly identified in a picture caption in the Herald Tribune of Feb. 8. The are contactly identified at right.





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Mr. Marchais, 64, was elected to a fifth three-year term at the end of the five-day 25th congress, during

internal structures, lost his seat in the 22-member decision-making politburo.

sension within Communist ranks when 65 of the 1,707 delegates ab-

Mr. Juquin was the only politbudemocratic centralism.

ers, youth and immigrants. In his opening speech, Mr. Marchais set himself firmly against such changes and put the party on a

reconfirmed as leader that the re-

quin's call for reform without naming him. "Turning the French Communist Party into a social democrat one is out of the ques-



that began Friday after a nine-day break. The game was adjourned Friday after 40 moves.

three years.

The challenger has scored the

ture the pawn, putting himself two pawns ahead of Mr. Karpov. Mr. Karpov infiltrated white's position with his rook to create counterplay and established an effective blockade. Mr. Kasparov.

this maneuver, which would have party leader. led to a stalemate position and a

Experts had speculated after 67th turn drew applause from the

Fuel Rationing, Other Cuts Are Announced by Ethiopia

(Continued from Page 1) to donate money to help alleviate the effects of the famme. He did

not specify amounts but, in a less severe drought 10 years ago, Ethiopians paid a "famine tax" of one month's salary. Colonel Mengistu said the ban

eign exchange exchange through the sweat of the working people and with aid will not be used by people on imports included luxury motor vehicles and textiles. "Until we as they wish, but will be used systematically and economically for manufacture our own clothes we development work, social services and public transport," Colonel should share and wear economically our own national products, made by our own industries and by our own talents," he said.

Foreign-exchange savings would be used "for the urgent lifesaving EXECUTIVE OFFICES,

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U.S. Urges Space Arms

(Continued from Page 1) place of one based always on balancing terror?"

The text accused the Soviet Union of "almost certainly" violating the 1972 accord "by construct-ing a large ballistic missile early-warning radar in Siberia which is located and oriented in a manner prohibited by the ABM treaty." The speech also tried to meet West European fears that the Unit-

defense of its continental allies "America could not survive nor live lion people could be blamed on in a world in which Europe was overrun and conquered," the text Mr. Weinberger contended that the anti-ballistic weapons systems would be "equally effective against the SS-20 and other intermediate

ed States would disengage from the

but the country still cannot feed

Colonel Mengistu promised a Europe Favors Research bright future" to Ethiopians if Most government officials Most government officials in they would work hard and ap- Western Europe favor continued pealed to "all who want to see our research on the space defense plan revolutionary motherland emerge from the problems caused by na-ture [to] build up her ability in all

range Soviet weapons," referring to those targeted on Western Europe.

According to a survey by the

Congressional Research Service, officials in Bonn, Paris, Brussels and London favor research partly as a hedge against possible Soviet breakthroughs and partly because they believe that research cannot be stopped, the congressional study group, quoted by The Times,

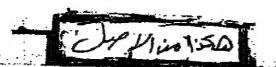
Correction Leszek Pekala and Waldemar Chmielewski, sentenced for murder



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and her daughter,

Mary, above, who

At George Washington Uni-versity Hospital is a quiet re-minder of the day that President

Ronald Reagan was shot. A

patch of blue needlework, in a frame hanging on the wall out-side Room N-4325 in the inten-

sive care unit, says, "President Reagan Slept Here. March 31, 1981."

Mr. Reagan's press spokes-man, Larry Speakes, quipped of the president, "He's certain he'll be remembered by a plaque in

the Cabinet Room that says,

'Ronald Reagan Slept Here.' Mr. Speakes, attending a Na-tional Press Club dinner, also needled the defeated presidential

candidate, Walter F. Mondale:

"He's been working on his cam-

paign memoir. It's entitled 'Trivial Pursuit.' Mr. Mondale nee-

dled himself at the same dinner:

"All my life, I wanted to run for

president in the worst possible way — and I did."

Noshing Knishes,

Counting Calories

For nearly 100 years, the Yonah Schimmel Knishery has served up knishes on the long-unfashionable Lower East Side

of New York City, where knish (pronounced kuh-NISH) con-

noisseurs find it's still worth a trip to nosh, or munch, the real thing, which is a wad of dough stuffed with mashed potatoes,

cheese, onions or buckwheat

Now, The New York Times

reports, Schmimmel's has opened a tiny take-out shop on the fashionable Upper East Side. There's a decided difference in

the clientele: "In a hundred

years on Houston Street, no-

body's ever asked how many cal-ories there are in a knish," says

Sonny Berger, a co-owner. "Up-

town, we get the question at least

So how many calories are

there? About 300. In uptown

arithmetic, that translates rough-

ly into one health-club exercise

class or twice around the Central

— Compiled by AKTHUR HIGBEE

groats and baked in the store's

original brick ovens.

five times a day."

Park reservoir.

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AMERICAN TOPICS



Strange Encounter On a Boston Subway

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Mary James, 21, a Boston hotel restaurant supervisor, cashed a check on her way home from work and boarded a bus. Fumbling in her purse for change, she spilled several hundred dollars. A youth who sat next to her on the bus followed her out and shot her in the back when she refused to give up her purse. Fortunately, the bullet just grazed her skin

after passing through several layers of clothing
The following day Miss
James's mother, Frances James,
55, a jail guard, found herself sitting next to two youths on the subway. She quoted one of them as saying, "I pumped a broad in Dorchester last night because

she wouldn't turn loose her bag." "Did you waste her?" Mrs. James said the other youth asked.

"Nah, I don't think so. There was nothin' on the TV." Mrs. James said, "I could have killed him." But unarmed and by herself, she followed him instead and had him arrested. "He's got a record a mile long and he's only

14," she said. The youth, arraigned for at-tempted murder, was released on \$5,000 bond after his mother posted \$500 cash. The authorities withheld his name because of

Liberal Arts Majors Finding Steady Work

William J. Bennett, chairman of the National Endowment for the Humanities, writes in The Washington Post that a study by the University of Texas shows that of 1,300 of its recent liberal arts graduates, 80 percent are employed full time, 12 percent are full-time students and 5 percent are voluntarily unemployed,

while only 3 percent are unem-ployed and looking for work. Of the those surveyed, 28 per-cent went on to graduate degrees and professional or executive careers, 47 percent have jobs in the business world that require a college education and 24 percent have comparable nonbusiness jobs in social services, welfare and politics.

The study "concludes that liberai arts graduates have access to more sectors of the labor market than specialized graduates," writes Mr. Bennett. "The differ-

ence is that liberal arts majors often must generate first-job op-portunities on their own initia-tive without relying greatly on campus recruiters."

1985 Existentialism, Albuquerque Style

The French existential philosopher Jean-Paul Sartre visited the United States in the 1940s and came away disappointed with Albuquerque, New Mexico, and other exotic-sounding cities. He complained, "Hidden be-youd these magnificent and promising names is the same checkerboard city, the same red and green traffic lights and the same provincial look."

Albuquerque has no plans to change the color scheme of its traffic signals, but at the end of a tunnulmous 12-hour meeting last week the city council voted a sales tax extension to pay for an \$86-million "festival marketplace" along the lines of Mannattan's South Street Scaport, Baltimore's Harborfront and Boston's Faneuil Hall market-

Opponents plan to force a ref-erendum. Berent Groth, an ar-chitect and president of the Albuquerque Conservation Association, favored a simpler pedestrian area preserving the city's 1930s architecture and connecting downtown with the University of New Mexico campus. He dismissed the proposed marketplace as a place to go to watch someone make fudge."

Short Takes

The life expectancy of Americans at birth reached a new high of 74.6 years in 1982, compared with 74,2 years in 1981, the National Center for Health Statistics reported. Women are still expected to live longer than men. The average age for women is 78.2 years, for men 70.9.

Cacins Feeders Inc. of Dumas. Texas, the biggest cattle feeder in the United States, says it will end the routine feeding of growth-promoting antibiotics because of concern that this could endanger human health. It said that it is the first feed-lot operator in the country to end the practice voluntarily. Scientists are concerned that the practice will develop antiobiotic-resistant bacteria in humans, rendering antibiotic medi-

Reagan Missile Defense Would Kill ABM Pact, U.S. Arms Analysts Say

that President Ronald Reagan's al agreement that the construction plan to build a defense against ballistic missiles and to design weapons that can destroy satellites would kill the 1972 U.S.-Soviet

They said that it seemed to be treaty that limits the size and effectiveness of anti-ballistic missile defenses.

Some advocates of arms control consider the anti-hallistic missile, or ABM, treaty the basis of arms control because, as long as it is torywide missile defense or an effective defense of missile silo fields.

This has promoted deterrence of nuclear war, they argue, because of technical violations of treaties, neither party can start a nuclear They cited the accidental "venting" war without suffering retaliatory of nuclear contamination into the

John B. Rhinelander, a Washington lawyer who was legal adviser to the U.S. delegation that negotiated the ABM treaty and the 1972 interim agreement to limit strategic weapons, said Friday that adoption of a policy of "defense dominance" by the United States would make

the ABM treaty pointless. Mr. Rhinelander made his remarks at a press conference sponsored by the Arms Control Association, a private group based in Washington.

He was joined by Spurgeon M. Keeny Jr., who was deputy director of the government's Arms Control and Disarmament Agency from 1977 to 1981 and is now director of the Arms Control Association; When asked if the administra-Raymond L. Garthoff of the Brookings Institution, a former to permit the development of strathe problems of verifying compliance with arms control agreements. that also are prohibited.

By Charles Mohr
New York Times Service
WASHINGTON — Several
With regard to Mr. Reagan's
Feb. I report to Congress on "Sovice noncompliance" with existing arms control analysts have asserted treaties, the group expressed gener-

capable of tracking targets for anti-ballistic missile weapons, and that it was illegally located. But Mr. Garthoff said it was

"not a sound procedure" to make such complaints public, and that a U.S.-Soviet consultative commiscomplied with, it prevents either sion in Geneva was a better forum country from creating a terrifor such discussions.

Mr. Keeny and other members of the group also said the United States itself appeared to be guilty of technical violations of treaties. air from underground nuclear tests.

The speakers also said that the United States, like the Soviet Union, appeared to be seeking to exploit ambiguities in treaty provi-

The spokesmen noted that Mr Reagan, in his Feb. I report, said that the United States would seek in negotiations to "reverse the erosion of the ABM treaty." But they suggested that his policies were in-consistent with this goal.

Mr. Keeny said that the president's Strategic Defense Initiative, aimed at building a space-based defense against missiles, "must raise serious questions in Soviet minds as to our own intentions."

ambassador to Bulgaria and a stu-dent of Soviet military policy; and said, "The answer is no," because Michael Krepon, an associate of the United States says it is seeking the Carnegie Endowment for International Peace and an analyst of hibited by the treaty, along with

New Drug Said to Slow Spread of AIDS Virus

By Walter Sullivan New York Times Service

NEW YORK - French researchers have reported that a new drug appeared for the first time to have inhibited reproduction of the virus believed to cause acquired im-

only four patients, but a year and a affecting the DNA.
half after initial treatment the blood of one patient, a 15-year-old boy, has not shown any evidence of the AIDS virus, and he has returned to school.

the cases. They added, however, that there was no guarantee that the virus did not remain in a hidden

The researchers emphasized that the treatment should not be regarded as a cure. The drug also produces severe side effects, such as heavy internal bleeding, if not withdrawn soon enough.

withdrawn soon enough.

Results of the experiments were described Friday by Dr. Jean-Claude Chermann of the Pasteur Dr. Chermann said, is a hemophiliac who presumably received blood-clotting material infected by the ATOS virus. He received two doses tion. The drug he described, HPA-23, is a compound in which

antimony and tungsten atoms surround a core of sodium.

In AIDS, the virus attacks the body's immune system, leaving the body open to a number of disor-ders. AIDS belongs to a class of viruses, retroviruses, that alter the mune deficiency syndrome, or DNA, or genetic material, of the infected cell to produce more virus particles. The drugs being tested Tests have been completed on seem to block the enzyme from

The French researchers out that several substances besides the new drug had been found to block the action of the enzyme in cell cultures. In a letter to a British The researchers said Friday that medical journal, The Lancet, howthe virus seemed to have disan- ever, they say that their tests dempeared, at least temporarily, in all onstrate for the first time that the drug blocks the spread of the virus

In the United States, the National Institute of Allergy and Infec-tious Diseases is testing other drugs against the AIDS virus, said the institute's director, Dr. Anthony Fauci. One, called suramine, is now being assessed and tests are shortly to begin on another, known as riba-

of the new drug.

The boy was given HPA-23 until the chief side effect, a decrease in blood platelets that can lead to uncontrollable internal bleeding, became worrisome. During that time doctors were unable to find any AIDS virus in his blood.

When the platelet count improved, the drug was given again, then the treatment was stopped in boy's blood. Dr. Chermann said the child has returned to school and seems to be doing well.

In the other three patients, the virus was undetectable after two weeks of treatment but reappeared at low levels in subsequent cell cul-tures. As noted by the French group, a hopeful aspect is that the severe side effects are apparently absent when HPA-23 is used in moderate doses.

In its research, the French groun initiated treatment on another 3 patients with the drug, and in all of the reproduction of the virus. Eleven patients have died, however, which could indicate that treat-

Meanwhile, lecturers said at the seminar that widespread testing of blood in blood banks would probably begin within two weeks. The tests are designed to test a donor's blood for the AIDS virus by detecting antibodies that might have formed against the virus. Participants in the seminar warned that the tests were not infallible.

Guatemala, Spain Renew Ties

eral Oscar Meija Victores, Guatemala's chief of state, and Jose Luis Crespo Morales, Spain's ambassa-dor, took part Friday in a ceremony marking the formal resumption of diplomatic relations between the two countries. Diplomatic ties were broken in 1980 after Guatemalan troops stormed the Spanish Em-



Prime Minister Wilfried Martens of Belgium paused in front of a banner of the Flemish Social Christian Party before speaking on Saturday at a party congress in Ghent.

Martens Wins Party's Trust **Over Cruise**

GHENT. Belgium — The government of Prime Minister Wilfried Martens of Belgium received the backing of his political party to decide when to deploy U.S. nuclear cruise missiles, amid growing signs that the country will not break ranks with its NATO allies on the deployment timetable.

Frank Swaelen, president of the Flemish Social Christian Party to which Mr. Martens belongs, told a congress in Ghent that the govern-ment "has our mandate" to decide when Belgium will deploy the first 16 of the 48 cruise missiles it is to receive. The North Atlantic Treaty Organization had scheduled the de-

ployment to begin in March.

The party had asked the prime minister to delay the initial deployment to create a better atmosphere for U.S.-Soviet arms control talks. Mr. Swaelen, however, did not mention the party position on de-ployment, focusing instead on the party's trust in Mr. Martens.

Last month in Washington, Mr. Martens refused to commit Belgium to begin deployment in March, but said the country would decide on an installation schedule by the end of that month.

Slight Quake Shakes Rome The Associated Press

ROME - A slight earthquake measuring 2.7 on the open-ended Richter scale, shook Rome early Sunday. There were no reports of

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Soviet Aims in Central America Cited

continue and accelerate its military and economic aid to Central America, the paper asserts, the United States could be faced with these developments:

A perception in the world that

Birth Control: New Ingredient For Dog Food?

New York Times Service WASHINGTON - Coming soon to supermarket shelves all over the United States: dog food laced with a birth control

drug.
That is the plan at Carnation Co., which has submitted an application for the product with the Food and Drug Administration and hopes to have it on the

market sometime this year. Approval of dog food with the birth control drug in it, under the brand name Extra Care, would permit Carnation to sell it in supermarkets without pre-

The drug involved is mibolerone, a hormone similar to progesterone in birth control pills used by women. It is made by Upjohn Co. under the brand name Cheque. The drug, in drops added to a dog's meal, is now available through a veterinarian's prescription.

Barbara Royer, a spokesman for Carnation, speaking from company headquarters in Los Angeles, said Carnation expected the dog food to cost about 3 cents a can more than Carnation's regular dog food, now about 30 cents a can.

is powerless to impede Soviet ag-

 Far more complicated defense planning to keep open the sea-lanes through which pass half the U.S. imported petroleum and more than half of the resupplies and reinforcements needed by the North Atlantic Treaty Organization in time of

Central to the administration's case are documents seized after the U.S.-led invasion of Grenada in October 1983. One describes a nada's prime minister until he was killed before the invasion.

The meeting took place in April 1983, and afterward the Soviet

'imperialists,'

ous tanks, 200 armored personnel

gression, even on its own border.

 Expanded centers for terrorist operations against the United

press reported that "much attention was given to the dangerous development of the situation in Central America and the Caribbean, where the U.S.A. persists in pursuing its hegemonic policy."

The Grenadian document said Grenadians to move carefully in methods it contends are used to their revolutionary expansionism so as not to signal their plans to the the Salvadoran guerrillas. It says imperialists, "the white paper that the "organizational structure

In Nicaragua, the paper says, the mask of Sandinismo has slipped away," adding: "What is revealed is the mask of communism." The country has received far more arms from the Soviet Union and its allies than all its neighbors.

the paper asserts. The Soviet Union recently has provided Nicaragua with 110 medium battle tanks, 30 light amphibicarriers, 70 long-range artillery other key areas of the world."

the Soviet Union can establish a pieces and nearly 500 rocket military presence anywhere it launchers, howitzers and anti-air-chooses, and that the United States craft guns, according to the paper. Nicaragua's recent acquisition of river-crossing equipment, the pa-per contends, "implicitly threatens

Honduras and Costa Rica." The paper describes several million-dollar, military-related construction projects in Nicaragua, paid for by the Soviet Union or Cuba, "Such a large investment in Nicaragua," it says, "indicates that Soviet leaders consider that zountry an important complement to Cuba in the Soviet's opportunistic

strategy to increase pressure on the southern border of the U.S." The administration has asserted meeting between Mr. Gromyko often that Nicaragua has been the and Maurice Bishop, who was Gre-main supplier of arms to Salvadoran rebels. The new paper reasserts that "the bulk of the M-16 rifles that the Salvadoran military has captured from the guerrillas have been traced by serial number to shipments by the U.S. to South Vieunam" more than a decade ago, and were "consequently captured by the communist forces after the fall."

Further, the paper describes that Mr. Gromyko "warned the some of the supply routes and deliver rifles and other material to of the Salvadoran guerrillas was orchestrated by Fidel Castro," the Cuban leader, and it adds that rebels have begun using classic Soviet disinformation techniques.

> In conclusion the paper conin the documentary. tends: "Kremlin leaders hope that ultimately the United States could become so preoccupied with chaos on its doorstep that it would be forced to shift dramatically its military forces, thereby opening new possibilities for the Soviet Union in cers that something wrong had tak-

CBS Producer In Westmoreland Case Takes Stand

Los Angeles Times Service NEW YORK—The producer of the CBS documentary that led to AIDS virus has shown up in the General William C. Westmore-boy's blood. Dr. Chermann said land's \$120-million lawsuit against the network has contended that the program's major assertions were supported by both military and civilian witnesses.

Saying that General Westmoreland's command in Vietnam had committed an "intellectual atrocity" by manipulating estimates of enemy troop strength, the produc-er, George Crile, told a federal jury on Friday that he believed the gen-eral's reports to his superiors had been inaccurate and dishonest.

General Westmoreland, who commanded U.S. troops in the Vietnam War from 1964 until 1968, contends that he was libeled by the 1982 broadcast, "The Uncounted Enemy: A Vietnam Deception." It ment began too late. accused the general of deceiving President Lyndon B. Johnson in 1967 by underestimating enemy strength to support a contention that the war was going well. Under questioning by a defense attorney, Mr. Crile insisted that

of any of CBS's witnesses to discredit the military in any way. Intelligence officers who appeared in the program, Mr. Crile contended, "had nothing to gain whatsoever" and had spoken out because they thought it was time for a "reckoning" and did not want to see a repeat of incidents reported

there had been no desire on the part

Earlier in his testimony, Mr. Crile said: "This was not a story that relied upon one or two sources. It was a story that had multiple sources ... that added up to a scream from the intelligence offi-

GUATEMALA CITY - Gen-

Pakistani Election Has Candidates, but It Lacks Parties, Rallies and Loudspeakers



General Mohammed Zia ul-Haq

By William Claiborne

Washington Post Service
KARACHI, Pakistan — For politically conscious South Asia, where voting often is vocal and volatile, it is one of the strangest national election campaigns ever.

There are essentially no issues or campaign themes, and few visible campaign posters and banners. Political parties are banned from participating, and outdoor rallies and processions are prohibited, as are the use of loudspeakers or any kind of amplifying system. Candidates complain that they go hoarse shouting at a few indoor meetings that are held, and that they are unable to get any kind of message across to the

Nearly all of the major political parties have said that they will boycott the election, and will interpret its outcome as meaningless. Almost no one, except government spokesmen and some pro-government candidates, expects more than a 25-percent to 35-percent turnout, and the leaders of some of the outlawed opposition parties - those who have not been arrested say they will be surprised if as much as 10 percent of the electorate votes.

But Pakistan, at the insistence of its martial-law ruler, General Mohammed Zia ul-Haq, is going ahead anyway on Feb. 25 with its first parliamentary election since 1977 - and only the third national election since the country was founded 37 years ago with the partition of the Indian subcontinent, General Zia, who seized power in a military

takeover in July 1977, and promised free elections within 90 days, is now promising that a "New Political Order" will emerge from the often-postponed poll for the National Assem-

never again to give rise to the brand of explosive tution." Sind is where the People's Party origiparty politics that led to civil turmoil, the internated, and traditionally has been the most politvention of the army and the execution of Gener- ically conscious province. al Zia's predecessor, Zulfikar Ali Bhutto.

long-suspended 1973 constitution. In the same parliament, referendum, he won an endorsement of his Ishimself five more years as president.

Official results of the referendum gave Gener-

al Zia 97.7 percent of the vote, with the government contending that 62 percent of Pakistan's qualified electorate of 35 million voted.

results were rigged to give the appearance of an overwhelming endorsement not only of the is-lamization of the country's government, but of upon and certainly the government will collapse General Zia personally.

Since the referendum, the opposition has been almost continuously off balance. General Zia first imposed qualifying criteria that would have excluded virtually all opposition candidates. Three days later, he lifted the restrictions in a move that set off a debate within the 11party Movement for the Restoration of Democracy over whether to participate. The movement voted Jan. 19 to boycott the parliamentary election and the scheduled Feb. 28 elections for provincial assemblies.

"In politics, all politicians want to run in elections," said Mustafa Jatoi, the Sind province form," he said. "We are not compromising on leader of the banned Pakistan People's Party our demand for the restoration of the 1973 founded by Mr. Bhutto. "That is their calling.

The new order would be one based on funda- But this is not an ordinary election, and we will mentalist Islamic principles, and is intended not participate unless it is under the 1973 consti-

It is widely accepted in Pakistan, even by In a deft political maneuver that left his some of General Zia's supporters, that if the opposition floundering in confusion and disarray, General Zia on Dec. 19 secured a mandate daughter. Benazir, were allowed to contest a free to hold the partyless election and amend the election, it would gain a substantial majority in

When asked why People's Party members are lamic policies, on the basis of which he gave not running as independents in the partyless himself five more years as president. logical majority, Mr. Jatoi said the strategy was based on an expected maximum voter turnout of 20 percent.

"Where in the world would you accept a Opposition leaders say that only 5 percent to result of 20 percent? It is not a majority," Mr. 8 percent of the electorate voted, and that the Jatoi said. "No parliament has a right to legiswithin a few months."

> He said that as a result of the referendum and a low election turnout, General Zia will emerge weaker within his own constituency of the mili-tary and among fundamentalist Moslems, and could become vulnerable to another military coup d'étal.

While some opposition strategists said that they would welcome a new army junta with which they might be able to negotiate a re-entry into political life. Mr. Jatoi said that is not the strategy of the People's Party.

"We are not looking to another face in uniconstitution before elections."

participate in the election, most notably the satisfy the Pakistani people, particularly in the Jamaat-i-Islami party, which is fielding 60 can-smaller provinces like Sind and Baluchistan. didates for the 237-seat National Assembly.

Zia in the Dec. 19 referendum.

Although the consensus of the party was to would boycott the polling because it will do nothing to restore basic human rights to Paki-

Mr. Ahmed said that if General Zia resigned from the army, lifted martial law, restored the judiciary and returned to parliament all of the parties that are boycotting the election."

But instead, Mr. Ahmed said, General Zia has announced that a new National Security Council that includes the chiefs of the armed services himself the power to dissolve parliament under will participate in the government and monitor certain conditions. legislation enacted by the National Assembly and the new senate that will be formed by votes

of the provincial assemblies.
"We suspect" that the National Security
Council "will be above all elected bodies," Mr. Ahmed said. "This is martial law in another

There are even divisions within the funda- garb. It may satisfy the wishes of democratic mentalist Islamic parties that have agreed to countries like the United States, but it will not

idates for the 17-seat National Assembly.

The most organized and disciplined political by that General Zia would restore the 1973 party in Pakistan, with strong student and trade constitution intact, if for no other reason than union wings. Jamaat-i-Islami is representative because of article six, which if applied by any of the same coalition that turned on Mr. Bhutto future government could lead to General Zia's before his overthrow by General Zia and subse- arrest and possible execution for treason. The quent execution: small traders, shopkeepers, article provides that any person who abrogates industrialists, landowners, religious leaders and or subverts the constitution by force or show of the orthodox, urban middle class. It was the force is guilty of treason, and appears to apply only political party to actively support General directly to General Zia's military takeover eight vears ago.

Mr. Ahmed, however, said he doubted whethjoin the election on the ground that it is at least a er the article would ever be applied, adding: "Is step toward democracy, its vice president. Gha-foor Ahmed, who was a member of the parlia-ment dissolved by General Zia in 1977, said he Pakistan will always be weaker than the army." But, political analysts in Karachi noted, Gen-

eral Zia has announced that in about two weeks he will amend the 1973 constitution, and the treason provision is likely to be among the first to go. Also likely to be rewritten are provisions relating to political parties, freedom of exprespowers it had in the suspended 1973 constitu-tion, "everyone would welcome it, even the parties that are boycotting the election."

Finalling to pointed parties, recession or expres-sion, defining powers of the president and prime minister, and election procedures, all of which General Zia has said must be tailored to "Islamic principles.

General Zia also has hinted that he will give

The result, one Western diplomatic analyst said, would be a government akin to the Turkish model — something short of democracy as per-ceived in much of the Western world, but a political system with at least some democratic

For New Zealanders, Ship Ban Is a Matter of Pride

By Steve Lohr

New York Times Service WELLINGTON, New Zealand — The words "No Nukes" are lington's morning newspaper. spray-painted on the entrance to "And with the American pressure spray-painted on the entrance to "And with the American pressure the Victoria Tunnel, on the way on him to back down, it has befrom the airport to central Wellington. A sign on St. Andrew's Church, just down the street from the Parliament building tells visi-tors that the church has been declared "a nuclear-free zone."

The windows of many houses of a nuclear warhead has a diagonal line drawn through it.

The decision by Prime Minister David Lange to refuse a U.S. request for a port call by an Ameriit carried no nuclear weapons seems to reflect public opinion and political realities in this country of 3.2 million people.

Before he was elected prime minister last July, Mr. Lange men-tioned to his colleagues in the Labor Party that although he sympathized with their sentiments tralia, also has made an anti-nucleon the issue, he thought a nuclear ar decision. Prime Minister Bob ban was "unrealistic." That statement created such an uproar that Mr. Lange did not repeat it.

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of movement on this port-call mat- bases to monitor an MX missile New Zealand's example, is studyter," said Richard Long, a political test. columnist for The Dominion, Wel-

come an issue of national pride." Some New Zealanders are worried that the refusal could prompt sanctions that would cut into the country's \$500 million a year in sales to the United States. But, for the most part, Mr. Lange's move and shops display anti-nuclear appeared to have enlarged his star-stickers; inside a circle, the likeness ure among New Zealanders, who voted last year for the anti-nuclear

"I hope future generations will consider the introduction of a Lange Day," a wrote to The Press, can warship without assurance that a newspaper in Christchurch. "This is to commemorate the date when the lamb refused to lie down with or to the lion."

Labor Party by a 2-to-1 margin.

Mr. Lange's office said it was receiving more than 1,000 telegrams a day on the issue, 95 percent of them supporting his position. New Zealand's neighbor, Aus-

Hawke told the Reagan administration last week in Washington r. Lange did not repeat it. that he would renege on a pledge to The administration, worried that latory action as we are not "Lange never had any freedom allow U.S. planes to use Australian other allied countries might follow able with that approach."

The United States replied that it would monitor the test without using the bases.

trast with Mr. Lange's, appeared to other security information; an end show that he had failed to realize to preferential treatment for New the strength of the growing anti-nuclear sentiment in Australia, as he had changed his mind on the derivative of milk; and the release U.S. request after facing a revolt in his Labor Party.

Paul Kelly, a political analyst, wrote in The Australian that the "real casualty" created by Mr. Hawke's reversal was the "authority and competence of the prime minister, not Australian-American relations, which have sufficient depth to absorb such upsets."

Washington clearly views the action by New Zealand as the more serious of the two decisions, seeing it as undermining the effectiveness of the 34-year Anzus alliance of Australia, New Zealand and the United States. On Wednesday, President Ronald Reagan said, "We deeply regret the decision by the New Zealand government to deny port access to our ships."

ing retaliatory measures.

Those under examination, a senior Reagan administration official said last week, include a suspension Mr. Hawke's decision, in con- of the sharing of intelligence and Zealand in the export to the United States of lamb, wool and casein, a for sale of surplus U.S. butter and other dairy products, which would hurt New Zealand's sale of those products on world markets.

> But in Wellington, such warnings are taken more as expressions of U.S. pique than as genuine

■ Brock Sees No Sanctions

The U.S. trade envoy, William E. Brock, indicated Saturday that Washington would probably not impose economic sanctions against New Zealand, Reuters reported from Kuala Lumpur, Malaysia.

"There is a great deal of regret in the U.S. administration over New Zealand's action," Mr. Brock said. "But I would be cautious to suggest that the U.S. would take any retai-The administration, worried that iatory action as we are not comfort-



'Relationship'

By Alan Cowell New York Times Service
JOHANNESBURG — The

The church leader, the Reverend Allan Boesak, 38, who is married with four children, acknowledged his relationship with Di Scott, 30. moratorium on this as there was

had been reported as rumors circulated by South Africa's security po-

Mr. Boesak's statement came over the ethics of the newspaper that first disclosed the story, the motives and techniques of the security police and, in the minds of some whites especially, the morality of Mr. Boesak's crusade against

said at a meeting of the United Democratic Front, a multiracial alliance of groups opposed to apart-

"Scott and I have been working together closely over the last year," said Mr. Boesak, the leader of 70 million Calvinists worldwide. "She has been of invaluable support for

Mr. Boesak, who is classified by South African law as a "colored" person of mixed race, did not divulge the nature of his relationship with Miss Scott, who is white. South African law forbids sexual

South African newspaper reporters said last month that the security police had instigated a campaign to liscredit both Mr. Boesak and

Bishop Desmond Tutu, winner of the 1984 Nobel Peace Prize. Later, The Star, a Johannesburg

evening newspaper, published an article indicating that Mr. Boesak had maintained an illicit relationship with Miss Scott. The story also chronicled purported security police involvement in monitoring their activities and in circulating the story about them.

Bomb Defused in Okinawa

NAHA, Japan - About 10,000 eople were evacuated from their omes in this capital city of Okinawa on Sunday as a bomb disposal unit defused an unexploded 250-ki-

Canadians Say Seal Pup Hunt Is Over

By Douglas Martin New York Times Service ST. JOHN'S, Newfoundland The commercial clubbing of white harp seal pups in Canada which has

drawn international protests ap-pears to have ended, sealers and their opponents say.

"There will be no commercial clubbing of whitecoats in the foreseeable future, perhaps never again," Kirk Smith, executive di-rector of the 2,000-member Cana-

day.

Acknowledging the impact of the protests, Mr. Smith said that "it is quite evident" that pelts sold to fur dealers "cannot be resold."

dian Sealers Association, said Fri-

"The seal hunt is dead, finished, gone forever," said Patrick Watson, an anti-sealing activist who has been jailed for his protests. "The world will not abide its continuation," he added.

Nevertheless, Mr. Smith said he expected thousands of adult seals to be killed for meat this year with rifles, not clubs.

killed for personal consumption, but there will be another official last year, he said.

The sealers are backing the mor-His admission confirmed what atorium to defuse opposition to their trade. This has arisen, they believe, from films and pictures of the pups being clubbed.

The sealers' logic is that it is amid a controversy in South Africa necessary to relinquish, at least for the time being, the clubbing of white harp seal pups, or whitecoats, to retain any market at all for seal

> Mr. Smith said his organization might ultimately have to accept a Canadian government ban on the clubbing of white harp seal pups to ensure the survival of markets for other seal pelts.

Traditionally, the bunting of harp seal pups begins on the Mag-delan Islands in the Gulf of St. Lawrence in late February and continues into April in Newfound-

But the only remaining buyer of Canadian seal pelts, Carino Co., a Norwegian concern based in St. John's, has announced that it will not buy any pelts this year of either the infant whitecoats or of more

mature, darker-coated seals. Bernhard Nygaard, the company's president, called the pelts of baby seals "a commodity that cannot be sold."

The sealers and the opposition differ over defining how old a seal must be to no longer qualify as a pup. The whitecoats lose their distinctive color at 10 days to two years. weeks of age.

Mr. Smith said that once a pup is independent from its mother, it should no longer be termed a pup. Opponents of the seal trade generally want to outlaw the killing of any seal less than a year old.

The European Community banned imports of whitecoats two years ago. That is viewed as the principal cause of the seal harvest falling to 24,000 last year from 200,000 in the late 1970s.

cifically to whitecoats, has had the effect of reducing demand for any son of Canadian seal pelts.

The Canadian government said that the European Community logram (550-pound) bomb bought just 1,297 pelts worth dropped by U.S. bombers in World \$27,000 in 1983, down from 40,000 war IL



Daniel Ortega Saavedra announcing the devaluation.

Nicaragua Announces ifles, not clubs. Some pups will continue to be Currency Devaluation

By Larry Rohter

New York Times Service guan government has announced a 78-percent devaluation of the currency, the cordoba, and has warned Nicaraguans that "new sacrifices" would be required to overcome the

country's economic crisis. In a televised speech on Friday, President Daniel Ortega Saavedra described Nicaragua's economic situation as "hellish" and blamed the Reagan administration for hav-

ing made things worse. The speech came two days after President Ronald Reagan, in his State of the Union Message, asked Congress for renewed support for rebels fighting the Sandinist gov-

ernment Washington's "policy of block-ade," Mr. Ortega said in his speech, has forced the Nicaraguan government to pour huge sums of money into the military budget and has

stretched the economy nearly to the breaking point. Because of attacks by guerrillas in border areas and the threat of "foreign aggression." he said. 40 percent of this year's budget of

\$280 million will go to the military. As a result, he added, money for other programs will be even more limited than in the past. The economic consequences of

U.S. policies, Mr. Ortega said, came to nearly \$1.1 billion in lost credits and exports in the last four

Nicaragua has been plagued by several years of no economic growth, in which inflation has risen to nearly 100 percent a year, and in which income from exports has been less than half of the amountneeded to pay for imports.

Most forecasts predict that the pattern will continue this year. "No one should expect that we will overcome the destabilizaton of our economy in the short or middle term," Mr. Ortega said. He called on Nicaraguans to demonstrate a The ban, although referring spe-greater "spirit of struggle and dis-

position for sacrifice." Mr. Ortega also said the govern-ment would take steps to reduce demand and stimulate production. The main measure announced Friday was the devaluation of the córdoba to a base rate of 50 to the dollar. The official exchange rate had been 28 to the dollar. But on

than 500 chrdohas The devaluation set up a fourtiered exchange system in which different rates will be applied to various categories of exports and

imports. The new economic package, Mr. Ortega said, will reward the farmers, ranchers and factory owners, who generate Nicaragua's exports, with better prices for their prod-

It is hoped, he added, that this in turn will stimulate production and pull the country out of its recession. last week ordered Mr. Chamorro to

he called "speculating shopkeepers" who have "robbed the people of Dillions of cordonal

One step to be taken is the ending of subsidies on basic foods. Although these subsidies were "originated to serve workers and peasants," Mr. Ortega said, they now "serve the profit of specula-

■ Concession on U.S. Role Robert J. McCartney of The Washington Post reported from Mexico City:

Nicaragua offered in recently spended talks with the United States to accept a U.S. military presence in Central America, Nicaaguan officials and other sources

said last week. Nicaragua also proposed a reduction in the number of U.S. military advisers and in the size of U.S. military maneuvers in the region. It was unclear whether it would have insisted on keeping some of its own Cuban military advisers in return for endorsing a U.S. presence.

But the offer represented a softening of Nicaragua's previous position, stated in a proposed regional peace treaty, calling for an end to any foreign military presence in

The United States broke off the talks despite this concession because it rejected Nicaragua's insistence that the negotiations lead to a bilateral, U.S.-Nicaraguan agreement, according to officials and diplomats in Mexico City and in Managua. The United States stuck to its position that Nicaragua should reach an agreement with its Central American neighbors in the. regional peace talks known as Con-

The Nicaraguans may have pursued a bilateral accord despite repeared U.S. rejections because they believed that Washington would soften its anti-Nicaraguan policies in President Reagan's second term, according to two sources. This idea drew strength primarily from re-ports of the plans to replace of several U.S. officials viewed as hard-liners, including Jeane J. Kirkpatrick, ambassador to the United Nations. In other news concerning Nica-

The U.S. Navy has reactivated a repair ship, the USS Sphinx, as an the black market that flourishes in intelligence-collecting vessel for deployment off Nicaragua, accord-Managua, the dollar fetches more ing to U.S. officials and information provided to Congress. The Sphinx, newly equipped with 50phisticated radar and communications gear, will eavesdrop on Nicaraguan communications and look for arms traffic in the Gulf of Fouseca, sources said.

· Adolfo Chamorro Cesar, an official of the Democratic Revolutionary Alliance, a Nicaraguan re-bel group, has left Costa Rica, a government spokesman said Saturday in San José. The government Mr. Ortega also indicated that leave the country because it said he the government was preparing to take harsh measures against what neutrality. Was compromising Costa Rican (AP)

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Allan Boesak **Boesak Cites**

With Woman

president of the World Alliance of Reformed Churches, a prominent opponent of white rule in South Africa, says he has had a "relationhip" with a female church worker.

to supporters in Cape Town on Saturday.

lice to discredit him.

white-minority rule. "I have notified my church that a relationship exists." Mr. Boesak

my work." relations between whites and non-

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September 19 19 to 19 K. Fall of Day 19 September 19 September 19 West Part Dr. Muriel

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St William Lyons, 83. lounder of Jaguar Cars LONDON: WITH - SIT in Carrie in the founder of I by Care Lid. Size in his si inday morning at the norme me lamageon Spa in Warwickshi be of lamas was the chief ex-

be of Jaguar and its produced Supplies for the very until supplies for the very until supplies in the very unit supplies in the very uni by the expanded into car bo

ad mercanical into car on a mercanic Constitution of the Constitut A. Jaffe. 55. Correspondent Mr. M. M. M. M. San is a former television co And who covered the Un

hom he CBS News and rep My Morgan, Hong Kong



Israeli soldiers walked along the Jerusalem-Hebron road in the occupied West Bank last week near the Palestinian clashes between the camp's residents and Jewish settlers.

West Bank Settlers Number 42,500, Study Says The Western diplomer.

By Thomas L. Friedman New York Times Service
JERUSALEM — The total num-Bank has reached 42,500, many more than most previous estimates,

The study, produced by the West research group headed by a former Jerusalem deputy mayor, Meron Benvenisti, found that as of Jan. 1, 1985, there were 9,000 Jewish families living on the Israeli-occupied West Bank — a total of 42,500

people in 114 Jewish settlements.
The conventional wisdom here, and the figure most frequently quoted, was that there were 28,000 to 30,000 Jewish settlers," said Mr. Benvenisti. "Our study shows how much further along the settlement activity really is. The current eco-nomic crisis is now slowing down

Washington Past Service
WASHINGTON — King Fahd

Saudi Arabia arrived Sunday in

the United States to test the will-

ingness of President Ronald Rea-gan to become more deeply in-

volved in a drive for peace in the

King Fahd, preparing for the Washington visit, met two weeks

ago with Yasser Arafat, chairman

of the Palestine Liberation Organi-

zation, and sent senior emissaries

to Syria, Jordan and other key Arab states.

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the number of housing starts on the Data Project is considered by many West Bank, but this will not be felt proponents and opponents of Jewin the number of settlers until 1986 continued growth of Jewish settlers at a rate of 2,000 families a year." At the end of 1982, according to

Bank," Mr. Benvenisti said. An estimated 800,000 Arabs live in the West Bank.

proponents and opponents of Jew-ish settlement on the West Bank to geo-demographic meaning. It is enough housing stock to allow for a sources of demographics on the region, and also the most up-to-date tlers and 5,000 families, and at the end of 1983, the figure grew to the Washington-based American 27,500 settlers and about 6,500 Enterprise Institute.

He found that almost all of the increase in West Bank Jewish population in the last two years has been in existing settlements. Also, the housing units now under construction are primarily in the larger existing settlements, particularly the townships.

the West Bank.

point," Mr. Benvenisti said, "that dent Hosni Mubarak's visit next mosque during prayers.

Mr. Benvenisti's West Bank the addition of new settlements, month.

Pro-Iranian Shiite Moslems held

2 Die as Israel Bombs PLO Faction's Building

lah Ruhollah Khomeini. An esti-

decked with pictures of Ayatollah

Khomeini and other Shiite leaders.

Lebanese Army soldiers blocked off roads to the area during the

While the Lebanese Army is offi-

cially in control of West Beirut,

Shiite and Druze militiamen hold effective power since they drove the

Soviet Ice-Fishers Marooned

MOSCOW - About 900 sportsmen ice-fishing along the shore of

the Sea of Azov were rescued by rowboats and helicopter crews af-

ter the ice they were standing on broke off and floated out to sea, a

Soviet newspaper said Saturday.

The government newspaper Izves-tia said the incident occurred in the

bay of Taganrog in the southern Russian Republic, but did not say

army out a year ago.

BEIRUT — Israeli planes on Sunday to mark the anniversary bombed a building used by a Pales of the takeover in Iran by Ayatoltinian guerrilla faction in Leba-

non's Bekaa Valley on Sunday, kill-ing a woman and child, witnesses said.

mated 500 militiamen and women chanted slogans and heard speech-es in a film theater, which was be-In Beirut, a car bomb killed two persons, and another car bomb in

the northern port city of Tripoli left four persons dead. Other reports said as many seven persons died in the Tripoli blast. The Israeli air strike destroyed a

building in the town of Taalabaya, on the Beirut-Damascus highway two kilometers (about a mile) east of Chtaura, the headquarters of the Syrian Army in Lebanon. Local reports said that the build-

ing had been used by the Demo-cratic Front for the Liberation of Palestine, a pro-Soviet faction of the Palestine Liberation Organization, but that the guerrillas had left the building several days ago. A family of three was in the building when the Israelis started

bombing, according to these re-ports. The woman and child were killed and the man was badly

At the time of the strike, rallies were being held in Taalabaya and ments at this time would be meancensus provided by anyone, including the Israeli government. His re-search is funded by the Ford Foun-most of the new people are going mark the national referendum in Syria to endorse the reelection of President Hafez al-Assad. No group claimed responsibility The Egyptian foreign minister, Esmat Abdel Meguid, told U.S. of-ficials on Saturday that Israel must

for the two car bombs, Police said the blast in mostly Moslem West Beirut killed the driver of the car carrying the explosives and his

The Tripoli bomb, outside a private hospital, was the second in 10 days. On Feb. 1, 10 persons were killed and 60 wounded when a sim-"This fact emphasizes the States for talks in advance of Presi- ilar bomb went off outside a

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ber of Jewish settlers in the West and 1987. In the meantime, there is be one of the most authoritative according to a new study. Bank Data Project, an independent his previous census, there were 71 search is funded by the Ford Founmost of the new people a research group headed by a former settlements with 20,600 Jewish set-dation and the Rockefeller into existing settlements."

> "Given the present growth rates -and if nothing intervenes to stop it - I don't see any reason to modify my prediction that by the end of the decade there will be 100,000 Jewish settlers on the West

Middle East Peace Tops Agenda as King Fahd Arrives in U.S.

document, which has not been released, and other statements by Mr.
Weinberger as a promise that the
United States will sell them about

Conventional role of not being the
key Arab partner of the United
States, "said William B. Quandt of 40 more F-15 jet fighters.
In view of the battles in Congress in 1978 and 1981 over Saudi warbia in the 1980s."

plane purchases, and new warnings last month from Capitol Hill, the Reagan administration announced Jan. 30 that all Middle East arms sales are being delayed pending a comprehensive study of security The king's position as the first needs in the area. The study is expected to last several months but ond term, and the first of a number of Middle East leaders coming to Washington in the second to Saudi arms sales are probable of the second to Saudi arms sales are probable of the second to Saudi arms sales are probable of the second to th

Washington in the next several portance accorded here to Saudi Saudi primacy in U.S. relations with the Arab world is ending, ac-

scribed as "a very strong pledge of support for Saudi Arabian securibed as "a very strong pledge of global energy simation, or Middle port for Saudi Arabian securi-The Saudis interpreted the stances, take a sudden turn. "Saudi Arabia is returning to its

Brookings Institution, a former National Security Council official under President Jimmy Carter and the author of a book, "Sandi Ara-A State Department official said

that Cairo, Damascus and Baghdad have been the three main poles of the Arab world, and that despite more than a decade of intense Saudi importance they will continue to be the most vital.

The central question on King Fahd's agenda, sources said, is a Reagan role in reviving the stalled

The Saudis and other Arab states So does a letter delivered to King cording to American experts. But took satisfaction from many elements of Mr. Reagan's Middle East peace plan of Sept. 1, 1982. containing what U.S. officials decome of crucial importance if the

py that movement toward a broad Middle East settlement virtually has collapsed because of the war in Lebanon, the reluctance of King Hussein of Jordan to become involved as a negotiator with Israel and opposition to the Reagan plan by the previous Israeli government of Prime Minister Menachem Be-

purely a political statement. A

freeze on the building of new settle-

take measures, such as halting West

Bank settlements, to advance the

Middle East peace process, accord-

ing to Egyptian Embassy sources in Washington who were quoted by

The minister is in the United

Reuters.

A senior State Department offi-cial, speaking at a White House briefing Friday, said the Sandis think that this is "a historic mo-ment" following a massive new po-litical mandate for Mr. Reagan for revival of the peace process under

der Prime Minister Shimon Peres prices and Saudi access to the U.S. has "displayed more flexibility" market for its emerging \$35-billion than Mr. Begin about the peace petrochemical industry, which is

He added that the possible next most from the United States. step could be a successful conclusion of the recently renewed dis-Mr. Arafat about negotiations with

Meguid of Egypt, following discus-sions with U.S. officials, said Saturday he sees signs that King Hussein is preparing to take the "calculated risk" of negotiations with Israel. Mr. Abdel Meguid said that Egypt is urging "a more active U.S. role."

The Saudis do not appear upset by the prospective timetable for the next round of warplane sales. Sources said the Saudis had agreed previously that a deal would not be submitted to Congress before

Other subjects on King Fahd's agenda, according to the White The new Israeli government un- House, include U.S. policy on oil

The last visit to Washington by a reigning Saudi king was in 1971, when King Faisal visited President Richard M. Nixon. King Fahd came to Washington on an official visit as crown prince in May 1977.

Dr. Muriel Gardiner, 83, U.S. Psychoanalyst, Dies

Arabia, which is rich in oil.

NEW YORK —Dr. Muriel Gardiner, 83, an American psychoanalyst who during ber student days in Vienna smuggled false passports and money to help hundreds of people escape from Fascist-con-trolled Austria, died of cancer on Wednesday at the Princeton (New Jersey) Medical Center.

Dr. Gardiner was a medical student in Vienna in 1932 when she watched Nazis raid the school and throw Jewish students out of win-She joined the anti-Fascist un-

derground and, using the code name Mary, offered her apartment as a safe house for dissidents. For those who needed to flee, she smuggled false passports into Austria, usually taped in the inside of her corset, and provided the necessary sums of money for the journey. In 1983, when Dr. Gardiner wrote her memoirs, "Code Name Mary," her publisher suggested that her exploits in the anti-Fascist

had become the basis of a popular film, and the statement created a the connection, Dr. Gardiner pointed out that the resemblances in their accounts were remarkable. She noted that, while she and Miss Hellman had never met, they had shared the same lawyer for many

lian Hellman's portrait of Julia in Miss Hellman's memoir. "Pentimento." By then, the Julia story

Sir William Lyons, 83,

Founder of Jaguar Cars LONDON (NYT) - Sir William Lyons, 83, the founder of Jaguar Cars Ltd., died in his sleep Friday morning at his home near

Learnington Spa in Warwickshire. Sir William was the chief executive of Jaguar and its predecessor companies for 50 years until his retirement in 1972. He went into business in his native Blackpool making motorcycle sidecars in 1922. He expanded into car bodies and moved to Coventry, a major car production center, in 1928. The first Jaguar was built in 1935.

Jaguar merged with British Motor Corp. in 1966, which in turn merged two years later with British Leyland Motor Corp.

Sam A. Jaffe, 55, Ex-TV Correspondent

NEW YORK (NYT) - Sam A-Jaffe, 55, a former television correspondent who covered the United Nations for CBS News and reported from Moscow, Hong Kong and



Dr. Muriel Gardiner





Vietnam for ABC News, died of the Soviet delegation to the lung cancer Friday at his home in Bethesda, Maryland.

United Nations in the late 1950s and early 1960s, when he worked

underground were the basis for Lil-

In 1976, Mr. Jaffe told a U.S. for CBS. He said he had been un-Senate committee that he had reported regularly to the Federal Bureau of Investigation on activities of a false charge by a Soviet defection. Topton on a televity after leaving ABC in 1969 because "The Millionaire," I Monica, California.

agent. Other Deaths:

Giton Knoop, 75, an abstract sculptor well-known in the New York art world, of a heart attack Thursday in Paris.

Georges Gramme, 58, deputy president of the Belgian Senate, on Thursday while visiting Israel as a member of a Belgian parliamentary delegation, a Belgian official said

Matt Monro, 54, a ballad singer, Thursday of liver cancer in London. He was best known for his recording of "Born Free" and for the theme song of the James Bond film, "From Russia With Love."

Marvin Miller, 71, an actor, announcer and narrator best known for his role as Michael Anthony, the executive secretary to the mysterious billionaire John Beresford Tipton on a television program.

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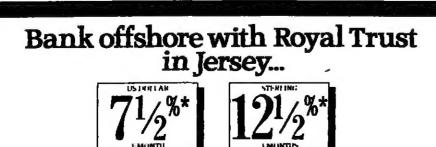
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What Peru Really Needs

The pope was constructively true to form, striking a deep chord among Peruvians by condemning political violence but demanding social justice. The Shining Path guerrillas fol-lowed their precedent, striking not with political counterargument but with dynamite at Lima's power stations. Sadly, the performance of President Fernando Belaimde Terry was just as predictably negative. In the week of John Paul II's stirring visit, the president could find no more imaginative use for international attention than to rail against Amnesty International for reporting on the thousand civilians who have disappeared in the course of his

brutal counterinsurgency campaign.
Shining Path is not responsible for every atrocity attributed to it by a hard-pressed government; and the authorities cannot be expected to scrupulously respect civil liberties while fighting fanatical insurgents. Yet both sides, eager to shoot, have contributed to a breakdown of civil order. Combined with Peru's daunting economic difficulties, that casts

a shadow over the future of democratic rule. President Belaunde has not been lucky. His 1980 inauguration, which ended 12 years of military rule, coincided with the outbreak of rebellion and the onset of economic collapse.

The Shining Path rebellion, nominally based on the teachings of a Maoist professor, took root in the discontent of poor and alienated peasants in the remote central highlands.

The economic reckoning also came quickly, speeded by the military governments' excessive arms purchases and expensive nationalizations. Then export prices collapsed and the whole continent fell into a debt crisis. Recession has dragged on for four years, deepening rural poverty and urban unemployment. Peru has now stopped payment on its \$13-billion foreign debt. Only one sector of the economy thrives: the illegal production and marketing of cocaine. That, of course, benefits neither poor Peruvians nor government coffers.

If there is a basis for optimism it is in the presidential election due in April. A new administration could symbolize a fresh start. But whoever wins will need substance, too.

Washington could help. Reagan administra-tion proposals to double military aid are worse than useless unless paired with economic and political support. The pope's words made clear the intimate link between social peace and social justice. Securing Peru's troubled democracy requires more than the shipping of guns.

-THE NEW YORK TIMES.

Pacific Nuclear Allergy

Make-Believe in Seoul

Other Opinion

FROM OUR FEB. 11 PAGES, 75 AND 50 YEARS AGO

Is there something in the water down under? No sooner does New Zealand take a long step toward opting out of its ANZUS alliance with the United States and Australia than the Australian prime minister says he's awfully sorry but he can't make good on his commitment to let American aircraft use local bases while they are monitoring nearby MX missile tests. Robert Hawke's awkward little announcement, which events at home made him deliver while he was visiting in Washington, is far less serious than what the New Zealanders have done. But it reflects a similar nuclear allergy, and it is disturbing to see it on the loose.

In New Zealand, Prime Minister David Lange wants to have it both ways: to deny access to U.S. Navy ships because they might be nuclear-powered or nuclear-armed, yet re-main a member in good standing of the security treaty. He and his supporters have come to see the U.S. nuclear umbrella as a lightning rod likely to draw an attack on them in a crisis. They treat requests to participate routinely in the common defense as provocative forms of interference in their sovereign affairs.

Most Americans, we suspect, will wonder what happened to New Zealand's traditional sturdy commitment to the principle and practice of collective security. But it is not for Americans to force upon any ally an unwel-

Whatever happened at Seoul's airport, they

were not exactly throwing posies Friday when

the exiled Kim Dae Jung returned to South

Korea. The country's best-known opposition

leader was hustled away from the Americans

who accompanied him, and they in turn were

roughed up by security police. So with the

whole world watching, South Korea's militar

regime bared its fists in an inexcusable and

juvenile show of pugilism.

To be sure, Seoul denies that any beatings

occurred. But Mr. Kim says otherwise. So do

two U.S. representatives, a former U.S. ambas-

sador and a former assistant secretary of state

for human rights. Besides, the Seoul regime

saw to it that foreign reporters were kept on

their plane during the crucial encounter, assur-

jumpy and had not been told that shoving and

punching are considered mild by local stan-

dards. But they understood that they would be

allowed to see him home, where he and his wife

are now under virtual house arrest. Events

recalled too vividly a scene in Manila in Au-

gust 1983, when another exiled democrat, Ben-

igno Aquino, was killed on arrival while in the

President Chun Doo Hwan is unlikely to do

A Speech Not Meant for Europe

There is no good news for Europe in [President Reagan's] State of the Union speech, and

a fair amount of bad news. The Reagan admin-

istration is not going to do anything coherent

to reduce the federal budget deficit and will

certainly not cut its main defense projects to reduce the gap. The dollar will continue to

climb, or at least to remain wildly overvalued,

while the other main currencies of the world

tumble around uncontrollably and panicky

1910: Dutch Deny 'German Threat'

THE HAGUE - In the First Chamber of the

State General [on Feb. 10] there was a sequel

to the suggestion made recently by Baron van

Heckeren that the German Emperor had

threatened an occupation of Dutch territory if

Holland did not put herself in a state of

defense against Great Britain. Dr. de Marces

/van Svinderen, the Minister of Foreign Af-

received any letter, telegram, note or docu-

ment of the kind described, or that the Queen

had ever held any conversation with the Em-

peror on the subject. The Minister concluded

his statement with an expression of his appre-

ciation of the German Emperor, whose friend-

ship for Holland had been shown often.

: fairs, denied that Queen Wilhelmina had ever

hands of a military welcoming committee.

Perhaps Mr. Kim's American escorts were

ing confusion about what happened.

come measure or form of protection. There is no call for retaliation of any kind. (Economic

sanctions have, foolishly, been mentioned.) But Americans cannot join Mr. Lange's little

charade and pretend nothing has changed.

What he proposes is freeloading. It flouts the

political and moral requirements of alliance. As a Pacific naval power, moreover, the United States cannot watch with indifference the spreading of different kinds of anti-nuclear sentiment through a vast realm of the South Pacific - no matter how tranquil and remote that region may now seem. As a world power it must consider what conclusions may be drawn by allies elsewhere and by other groups waving the anti-nuclear banner as they observe the American embarrassment in New Zealand.

The immediate focus of concern is Australia. Prime Minister Hawke leads a Labor Party with a left wing reinforced by a party called the Nuclear Disarmament Party. He has some troubles and is said to hope to ease them by a propitious concession on the high-profile mat-ter of supporting the MX tests. Washington is going along. Certainly it is far better that the matter of Australia's alliance participation be handled in its own political arena than to have it become a matter of diplomatic contention. We hope Mr. Hawke knows what he is doing.

anything so drastic. His Fifth Republic is

electing a National Assembly on Tuesday and

he wants favorable headlines for this limited

plebiscite. Nor does he want publicity that

could unsettle plans for a state visit to Wash-

ington in April. Down the road lie the 1988

Summer Olympics, when his regime hopes to

So why the mauling at the airport? Why not

let Mr. Kim return in peace, and leave him in

peace? Why, for that matter, not loosen press

controls and give South Koreans political as

well as economic freedoms? The usual expla-

nation is that the military rulers fear corrup-

tion and demagoguery that would be exploited by the Communist North. So, demeaningly,

they write make-believe constitutions that of-

fer paper guarantees that crumble when tested

Americans have sound security reasons for

continuing to defend South Korea, and eco-

nomic reasons for welcoming its trade. But

there are no reasons for swallowing this make-

believe. If South Korea wants the respect of

Americans, a good beginning would be to

apologize for the airport outrage and to make

governments try to lasso them with high inter-

est rates. Yalta, the ugliest face of partnership.

accepted that the great powers were joint trust-ees for the survival of the world. We can try to

soften that ugliness, but nobody can escape the

duty of trusteeship, or try to exercise it alone.

In this State of the Union message there is no

awareness of that joint duty, only a celebration of one national destiny. It is frightening, 40

years on, that the lessons of war have still not

1935: Islands at Issue in the Far East

WASHINGTON - Reports that Japan might

seek to have its Pacific islands excluded from

any non-fortification pact, while limiting forti-

cations of Hawaii and Singapore, caused offi-cials here to express doubt if Tokio would take

such a step. It was pointed out that Japanese newspapers which carried the reports possibly

failed to realize that Hawaii and Singapore

were not included in the status quo clause of

the Washington naval treaty and therefore the

United States was at liberty to construct what-

ever fortications it desires at Hawaii, while

Great Britain may do likewise at Singapore.

They also scoffed at the Japanese claim that

their Bonin Islands were "purely" defensive, while Hawaii and Singapore were offensive.

- The Observer (London).

apparently been learned.

- THE NEW YORK TIMES.

sure that Mr. Kim remains unharmed.

- resisting the North by imitating it.

un respect and accept

more than a police state.

-THE WASHINGTON POST.



in Moscow. For the last six weeks his successor. Konstantin Chemenko. disappeared from public view until he was finally reported present at a Politburo meeting Thursday. Rumors fly like snowflakes around the capitals of the world, but most of the time nobody knows where or how he is.

of U.S.-Soviet communications. The United States can negotiate with the Russians in Geneva next month about the control of nuclear weapons, but it doesn't know how to talk to the people in Moscow who give the orders, or even know who they are.

The contrast between the two po-litical systems has seldom been more obvious than in the last few days: President Reagan proclaiming a second American revolution, as if the first one had failed, followed by a torrent of questions and protest not only from the opposition but his own congressional leaders and budget director; and meanwhile, in Moscow, nothing but Pravda's endlessly bor-

ing and badly written propaganda.

The last time the leaders of the United States and the Soviet Union met was in Vienna in 1979. President Carter and Leonid Brezhnev got on fairly well and wondered why they had not met sooner. But by then Mr. Brezhnev was stumbling over the curbstones and soon he was gone.

In fairness to Mr. Reagan, while at first he did not want to talk to the Russians and then changed his tune, the fact is that during his first term it seemed too late to talk to the ailing Mr. Brezhnev and too early to talk to Mr. Andropov, who died not long after taking control. And Mr. Chernenko, whatever his doctor says,

seems to be drifting into the shadows.

Maybe it was wrong in the first place to think that talking to a particular Soviet leader made all that much difference. Personal control of Soviet policy lasted from Lenin to Stalin, and maybe marginally to Nikita Khrushchev, who had some glimmers of the possibility of reconciliation and cooperation with the West. After that the collective system of leader-

ship prevailed more than ever before. there has clearly been a chance for serious talk about the fundamental interests and differences between the

SAN FRANCISCO — Paul Monzione, armed with charm and the "thin skull doctrine," is

about to take on the American to-

bacco industry in a case with huge

stakes and intriguing wrinkles. Mr. Monzione, 28. is a lawyer who works with Melvin Belli, who

fancies himself "the king of torts."

Mr. Belli certainly is a pioneer in product-liability law, and for years has been trying to get cigarette companies found liable for willful

misconduct in manufacturing an

which Mr. Monzione is working. Soliciting cases is illegal unless

done pro bono publico, so Mr. Bell's firm will give its one-third of

any settlement to cancer research.

ing, in a speech to people who work

in hospices for the terminally ill, if

anyone knew of a person suffering

from squamous cell carcinoma at

the juncture of the bronchus, a can-cer especially associated with smok-

ing. He was told of John Galbraith.

And how, Before he died several

years ago of congestive heart failure brought on by severe emphysema and cancer, he was on bouled oxy-

gen 24 hours a day - and he would

still remove the oxygen mask and sneak a cigarette, Mr. Belli and Mr.

Monzione will ask a jury to find

several cigarette companies liable for Mr. Galbraith's death because

the companies "expressly and im-

pliedly warranted" that eigarettes

The companies must argue, braz-

enly but carefully, that the "contro-

versy" about smoking is universally

azionily ap

are fit for human consumption.

Mr. Galbraith was a smoker.

Mr. Belli got the case after ask-

Mr. Belli solicited the case on

inherently unsafe product.

The Soviet foreign minister, Andrei Gromyko, now 75 and the in-forming mind of Soviet foreign pol-icy, came to Washington for the lirst time 46 years ago; as foreign minister since 1957, he has had personal access to 14 U.S. secretaries of state and every president since Roosevell Ambassador Anatoli Dobrynin has been in Washington for 23 years and is dean of the diplomatic corps; he has had more access to six presidents and their secretaries of state than any

logue of the living deaf. Washington

timidate Western Europe.

suggested at the Stockholm conference that each side pledge not to use military force of any kind, nuclear or conventional, against the other. Due to lack of trust there was no agreement and not even much discussion.

wants to build nuclear ships as long as the Brooklyn Bridge and bring the Russians to their senses in outer space if not on Earth. Others place their faith in a new generation of Soviet leaders like Mikhail Gorbachov, who at 53 is better educated but lacks the personal knowledge of the old men who remember the carnage of the two world wars.

The trouble is that there really is not much serious analysis of this problem by U.S. and Soviet historians and philosophers; when there is, it tends to loiter down into polemics. Yet even during the last generation It is this dialogue of the deaf that is the real problem. It is not likely to be resolved in Geneva unless the effort starts in Washington and Moscow.

The New York Times.

Cigarette Companies Soon in the Dock

By George F. Will

argue, artfully, that the link be-

tween smoking and certain kinds of

cancer is common knowledge, but

that Mr. Galbraith, being addicted,

had lost his capacity to act rational-

establish that Mr. Galbraith did not

actually have squamous cell carci-noma. If Mr. Galbraith did have

that cancer, the companies will ar-

gue that he lived in the Los Angeles

basin and it was breathing the air there, not smoking two to three

packs a day, that caused his cancer.

rently running advertisements ac-knowledging that smoking is "con-troversial." Such ads cleverly

suggest both that agnosticism is ra-

tional and that customers have

The companies more interesting argument will be that Mr. Gal-

braith, who had a master's degree,

was well read (a rash assumption

about holders of master's degrees)

and thus knew the "controversy"

about cigarettes and freely assumed the risk, if there is a risk.

Besides, the companies will ask.

what about the fact that millions of

smokers do quit? Mr. Monzione will argue that Mr. Galbraith was

incapable of quitting and that the

companies are liable under the

That doctrine says that if you

accidentally strike a person on the head, striking a blow that is too

light to injure most persons but that

injures the struck person because he

"thin skull doctrine."

known, yet that absolutely nothing is known that connects smoking with cancer. Mr. Monzione must law says you must take the plaintiff

been amply warned to be wary.)

(One cigarette company is cur-

The companies will dispute the medical evidence and conceivably

ly in response to the knowledge.



Again a Familiar German Reluctance To Live Within the Reality of the Day?

PARIS — The recrudescence of terrorism in West Germany comes as Germans again question the frontiers of the nation and worry about unification. These seem separate matters, and are indeed separate in every practical respect. II, however, one considers "the spiritual situation of our times" a phrase to be heard in Germany a different conclusion is possible.

"Euroterrorism." as today reinvigorated and regrouped, seems to be essentially German, so far as it is serious. The identities of the people who in Belgium have been leaving bombs at NATO addresses. and those who fired some rockets at NATO targets in Portugal, remain unknown, of course. Until now. neither country has experienced more than incidental terrorism.

The French group that calls itself Action Directe, which has now embarked on the course of murder, has clearly been taken over by Germans, even to writing its declarations now in broken French.

This band began by romantically assisting anti-Franco Spaniards in the 1960s, before drifting into epi-sodic bomb-planting in its own country. The French police later rounded its members up — there are only a few of them — but the new Socialist government in 1981 turned them loose in the belief that they were harmless and would be content with the left in power in Paris. The fact that they could have been treated in so patronizing and casual a way is evidence of how unimportant they were, and how slight their roots in French society. West Germany and Italy have By William Pfaff

been the two European countries where terrorism counted, and in both places one can see why. In Italy it was an insurrection against what seemed a corrupt and totally unreformable government and political class, and in some larger sense a rebellion against the experience of Italy in modern times as a kind of museum for the rest of the

world and mausoleum for Italians. In West Germany the sources of terrorism were less simple. The moral experience of the war cer-tainly had to do with the defection of a part of the war-born generation from a complacent and materialistic postwar society. The development of the terrorist left enjoyed. and to an unclear extent still enjoys, sympathy and a certain complicity in a much larger part of the nonviolent but anti-establishment left.

It is difficult not to see in this an influence of a larger West German refusal to live within the moral and political realities of the present day.

Germans notoriously have wanted more from history than it is accustomed to provide. They have searched for universals in a world of unsatisfactory particulars. They have, historically, always wanted quests, and have found both good and bad ones. The filmmaker Hans-Jurgen Syberberg remarks that "without a vision, Germany is nothing," an opinion that has often been heard in the past.

Since 1945 there has been reluctance to accept the notion of West Germany as just one more stable,

prosperous, highly successful de-mocracy in a lucky community of democracies, living better than anyone else on Earth. Germans have said that the federal republic is "provisional" and unsatisfactory. Only a united Germany would not be provisional. But united within what borders? Germany's borders have never been all that certain.

New Issues

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The government dourly reiterates that the nation's frontiers remain legally unresolved and that the Willy Brandt government's recognition of the Oder-Neisse border with Poland binds only Bonn. A reunified

Germany would have to reconsider. That obviously is not meant to be threatening. Bonn constantly says that present borders could only change by peaceful agreements, in a Europe itself united and, it seems, in a giving mood. But this is sentimental nonsense and an evasion of the political facts created by Hitler's war and Hitler's defeat. The organizations of those deported 40 years ago from Silesia and East Prussia meanwhile go on holding meetings under provocative and politically nonsensical banners, and young nationalists write silly articles about German armies once

again marching eastward. It is a troubling situation, which reflects a real refusal to think through things being done and said, One perfectly understands the vulnerability of politicians to pressure groups. But the harping on how "provisional" everything is feeds that political romanticism, and lack of realism, which has been a powerful factor in the German past. It surely is romanticism that

drives the terrorists - these dreamers with bombs and guns, making a better world by destroying the one they have. One would like so much to see West Germans less discontent with what is and less concerned with what might be, or might not.

One wishes that Germans were more willing to defend the federal republic, its civilization, its accombishments, its frontiers; and that fewer were willing to dismiss all that as "provisional." One wishes more attention were paid to what a sensible and distinguished historian of modern Europe, Peter Gay, himself born in Germany, has put this way: Even Schiller and Goethe, "in calling for something higher than politics, helped to pave the way for something lower."

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A Case for Enlarging the Nuclear Club

N EW YORK — Everybody opposes nuclear proliferation. The United States has signed lots of treaties against it but has had little sucbeen able to prevent from acquiring them have been its own allies - including, notably. West Germany, In

this it is making a serious mistake. I myself would like to eliminate proliferation by disinventing nuclear veapons, but reality is otherwise. Not only the United States and the Soviet Union but also China, Britain and France are confirmed nuclear powers. Everyone would prefer that Pakistan, India, South Africa, Iraq and Israel not have nuclear weapons. But

some of them already do, and the others probably will in a few years. The United States has, however, been more or less successful in preventing its allies from acquiring inde-pendent nuclear forces. The French force de frappe is the one exception. Charles de Gaulle felt, realistically, that it was far from certain that any American president would risk the destruction of America to counter a Soviet invasion of France. Not sur-

prisingly, the French want to defend France if necessary.

as you find him. It is not his fault

Mr. Galbraith's "thin skull" was

supposedly, his personality, Mr.

Monzione will present a psycholo-gical portrait of an addictive per-

sonality and a convert to Mormon-

ism driven to irrationality by guilt

about his inability to quit smoking.

Product-liability law has come a long way from caveat emptor — let the buyer beware. That doctrine se-

verely limited manufacturers' li-abilities in the days when courts thought expanded liability would

jeopardize American industrialism.

of today's product-liability cases is

less that they broaden manufacturers' liability than that they seem to

deny the individual's responsibility for his behavior. Indeed, when Mr.

Belli lost a cigarette case in Louisi-

ana, the judge suggested that if he had won he would soon have want-

ed Elsie the Cow held liable for

heart disease caused by cholesterol.

and Mr. Monzione are emphasizing

addiction, understood as a chemi-

cal dependency suffered by persons

who know it is injuring them. Mr.

Monzione wants smokers on the

jury because they, as authors of

countless New Year's resolutions to

a queasy Congress gingerly comes to grips with the new budget, which

proposes an end to tobacco pro-

grams. Those programs subsidize

production of a substance that goes into the product that has Mr. Mon-

zione seeking huge punitive sums to

deter companies from causing "a growing epidemic of death and

loathsome illness." But then, Con-

gress is addicted to such programs.

Washington Post Writers Group.

This case is coming to trial just as

quit smoking, know addiction.

But in the current case Mr. Bell

What is bothersome about some

if his skull is thin.

missiles on West German soil - as it has in other allied countries. But they are American missiles controlled by the United States acting through NATO. West Germans control none of the nuclear weapons on their territory. In the case of a conventional or nuclear attack on West Germany, the United States would have to decide whether or not to use the weapons. If it did use them it would be held

responsible by the Soviet Union, even if the damage was restricted to military targets - and, as a result, the Soviet Union might well decide to retaliate against the United States. The chances of a local or tactical nuclear confrontation becoming a Soviet-American strategic nuclear conflagration are thus greatly in-creased by U.S. control of the West German nuclear defense. Is that necessary? Is it useful? Is it

in the West German interest? Is it in the American interest?

One theory has long held that the more catastrophic the potential effects of nuclear weapons, the less this fear might prevent America from using them. But would such consider-ations stop Moscow? Might the Soviet Union not be willing to sacrifice part of its population in order to protect its leaders — or increase their

wer? I am not sure. But this is only one of the reasons to question the theory of mutual assured destruction, on which American nuclear doctrine still rests. Technological developments that make it possible to target nuclear weapons

cess in stopping the spread of nuclear the country that would be the first times about U.S. nuclear weapons in rope? The United States has nuclear States continue to threaten total catastrophe in case of conventional or limited nuclear attack in Europe's How much longer is that threat likely

to remain credible? Not that West Germans want to control their own nuclear weapons. As much as they fear an American-Soviet confrontation, there is after all some small chance that it would spare West Germany. In contrast, direct West German nuclear resistance to a Soviet invasion would certainly

devastate their country. Nevertheless, it is not in America's interest to control the defense of any foreign country, be it West Germany, Japan or South Korea. Supply, yes. Support, yes. But not control — for control of another people's defense can only lead to a weakening of its own defense efforts. It is too easy for such dependent nations simply to leave it to Washington.

In such cases America often becomes a whipping boy for local pacifists and nationalists opposed to American efforts on their soil. Thus. in the end, the effort to provide othlikely they are to be used. Certainly ers with a nuclear shield risks leading to a net decline in defense efforts against the Soviet Union. Since proliferation of nuclear

weapons is no longer avoidable, I think the time has come to allow and even encourage America's friends to have and control their own nuclear weapons, as America's enemies do.

and public policy at the Fordham University Law School in New York. He contribute ed this comment to The New York Times.

LETTER TO THE EDITOR

Arms Control Precedents

Norman Podhoretz's column "The Case Against Belief in Arms Con-trol" (Jan. 25) is based on a historical fantasy. According to Mr. Podhoretz, during the 1920s and '30s the Western democracies made a series of arms control agreements with Germany and Japan, their "totalitarian enemies" of the time. At best those agreements failed to prevent war, at worst they lulled the democracies to sleep while the enemies cheated.

In fact there was no series of agreements with totalitarian enemies. As to Japan, Mr. Podhoretz apparently has in mind the naval treaties of 1922 and 1930, which kept the Japanese navy inferior to the British and U.S. navies in capital ships and cruisers, and which, together with promises not to fortify various Far Eastern possessions, tried to assure the securi-

By no stretch of the imagination could Japan in 1922 and 1930 be described as totalitarian; it had an elected government and a functioning opposition. Further, the 1922 treaty was a real arms-reduction pact. Under it, the three largest naval powers scrapped a number of ships and abandoned large-scale construction

gram. Britain and the United States

plans. Nor did the Japanese cheat. In 1936 they simply allowed the treaties

ty of all three parties in the Far East.

to lapse and began an expansion pro-

responded with their own programs. In Europe only one arms treaty between the world wars remotely re-

sembles Mr. Podhoretz's description. The 1919 Paris peace treaties disarmed Germany, Austria, Hungary and Bulgaria but these restrictions were imposed not freely adopted The Weimar government did violate them in several ways but never became a military threat.

Shortly before Hitler came to pow-er the nations of the world finally began discussing a general disarmament agreement in Geneva. An earlier accord would have vastly increased the Weimar Republic's prestige, but the talks were too late. Hitler pulled out quickly and began to rearm.

The only arms control agreement that any democracy reached with a totalitarian state was the Anglo-German naval accord of 1935. Politically it was a foolish mistake on London: part, but if the Russians ever offered an agreement on similar terms, I suspect that even Mr. Podhoretz would be willing to accept it: The pact limited the size of the German navy to one-third that of the British.

> DAVID D KAISER Carnegie-Mellon University.

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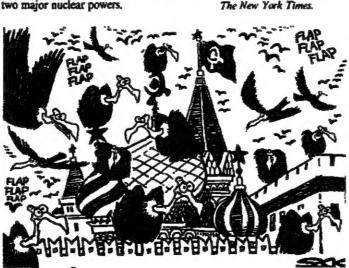
JOHN HAY WHITNEY, Chairman 1958-1982



The main problem is not the incidence of death - mortality, at least, we have in common - but the disand Moscow do say many sensible things about their common interests, shouting them across the world on the radio waves, but they don't listen and they don't believe.

For example, both are now saying that they not only want to control and reduce nuclear weapons but get rid of them and use peaceful atomic energy for the benefit of a hungry world. Also, Moscow wants Washington to promise not to be the first to use atomic weapons. Washington rejects this on the ground that it would leave the Soviet Union free, with its commanding lead in conven-tional weapons, to dominate and in-

Just the other day the Russians So what to do? Caspar Weinberger





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New Issues Flood Market As Investors Hesitate

By CARL GEWIRTZ

ARIS - An absence of investors and continued heavy supply of new issues made for a seriously congested Eurobond market last week. Investors moved to the sidelines, waiting for a clearer view following last week's quarter-point rise in the cost of short-term money. Late Friday, rates in New York eased a bit, sparking a rise in that bond

market.

While many experts are convinced that the Federal Reserve is not aiming to drive rates higher. European investors took the view that they preferred to wait for convincing evidence of the Fed's intentions. According

to Henry Kaufman, Salomon Brothers' economist, investors are best off waiting. He warns that "very troubling" levels of money-supply ex-pansion in the United States oblige the Fed to maintain a policy of moderate restraint. Borrowers, on the other hand, were in no mood to

Eurobond Yields
For Week Ended Feb. 6
U.S.2 les term. int'l Inst.
U.S.3 medium term. ind.
Can's medium term
French Fr. medium term
Sterling medium term
Yen medium term. int'l Inst.
Yen te term, int'l Inst.
ECU short term
ECU ing term
ECU long term
EUA long term
ELX ig term. int'l Inst. wait for clarification of the Fed's policy and launched \$1.28 billion worth of fixedcoupon straight Eurodollar debt. As a result, prices dropped throughout the week and ended significantly below the level at which underwriters bought the paper. Despite the steep discount, the new issues failed to attract bargain hunters. Investors obviously be-

lieve that with the heavy volume of unsold bonds from previous weeks still on underwriters' shelves there is plenty of time to decide to buy. Those who want to increase their holdings find they can pick up paper with much more attractive yields in the

FLx ig term, int'l inst. ___

Market Turnover

Total Dollar Equivalent
Cedel 14,465,90 12,265,00 2,200,90
Eurocleor 30,466,10 28,805,70 1,860,40

secondary market.
"The new issues are not market-based deals" bearing coupons aimed to lure investors, snapped one lead manager watching from the sidelines. Rather, he said, the new-issue market has become "one big poker game" where underwriters bring issues mispriced by today's standards in the hope that subsequent declines in

interest rates will make the paper look attractive.

This is what has happened so far this year, and the risk takers in January have been rewarded. But critics warn of a terrible shakeout in the underwriting community if rates do not renew their decline, and managers are left holding paper that can only be sold at a severe loss to themselves.

OWEVER, so long as the underwriters' cost of borrowed funds to finance their inventory remains comfortably below the interest income received from their bond holdings, the bankers will be under no pressure to dump their stock. The most aggressively priced of last week's issues was Rock-well's \$300 million of seven-year paper bearing a coupon of 10% percent and priced at a token discount of 99%. Dealers said the terms compared unfavorably with those available on seasoned paper in the secondary market where investors could buy seven-

year paper yielding 11% percent. But even Ford's \$100 million of 11% percent 10-year bonds failed to attract support. The terms were considered reasonable (the paper was priced at 99% to yield 11.7 percent). In the current irrelevant because they just do not want to make new commit-ments, while others said that they could take their time about buying Ford and hope in the interim that its price would drop

Ford was priced to yield 24 basis points over comparably dated Treasury paper, a saving of about an equal amount since it would have had to pay about 50 basis points more than the government to issue paper in New York. Rockwell, by contrast, was priced 35 basis points below Treasury yields. Both issues ended the week

While the quoted prices on all the other new issues showed substantial discounts — Bergen Bank's \$75 million of five-year 11½ percent notes were down 3½ points from an issue price of 10014 - worse yet were the issues for Japanese borrowers. Daiwa, lead manager for the offerings from Nippon Shinpan and Orient Leasing (both \$50-million, seven-year issues carrying coupons of 11 percent) refused to even quote a price.

Until a month ago, Japanese issuers could count on seiling dollar bonds at seemingly very unattractive terms and be assured of selling more than three-quarters of the issue to domestic investors. But while that demand has dried up, companies which (Continued on Page 13, Col. 4)

Last Week's Markets All figures are as of close of trading friday

Stock L	ndex.	28		Money Rates		
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	Lest Wk.	Prev.WK.	% Chips	Discount role	8	
DJ Indus	1,289.97	1,2772	+0.56	Federal funds rate	89/74	814
DJ UHL	150.80	148.45	+1.45	Prime rate	101/2	1092
DJ Trons	636.07	609.94		Japan		
5& P 100	180.05	177.06				_
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				Lambard	6.00	5.50
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Currency Rates

Late interbank rates on Feb. 8, excluding fees. Official frangs for Amsterdom, Brussels, Frankfurt, Milan, Paris. New York rates at

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Citibank To Cut Off S. Africa

No More Loans After March 31

By Michael Isikoff Washington Post Service
WASHINGTON - Citibank

acting under pressure from the New York City government, has declared that it will liquidate all its loans to the South African government by the end of next month and that it plans to make no more such loans "in the foreseeable future." The new policy by the largest bank in the United States was dis-

closed in a letter from the bank's vice chairman, Hans Angermueller, to the New York City comptroller, Harrison Goldin, It-came amid moves by the New York City government to cut off hundreds of millions of dollars in city business from banks and corporations that maintain ties with Pretoria.
"This is kind of incredible, isn't

11.84 %
11.27 %
11.33 %
7.15 %
7.15 %
9.47 %
10.14 %
10.25 %
9.34 %
10.06 %
9.87 %

it?" Stephen Matthews, assistant city comptroller, said of the Citibank letter Friday. "We were talking big bucks here, and money speaks. It's as simple as that." It was not immediately clear how

large Citibank's loans outstanding to the South African government are. Bill Koplowitz. Citibank's director of international public affairs, said Friday that the bank's last dealing with Pretoria came in October 1980, when Citibank lent the South African government \$50 million as part of a \$250-million loan made by a syndicate that included four European banks.

Mr. Koplowitz said he could not say how much of that loan was still on Citibank's books. He said the bank's loans outstanding to the South African public sector were "modest, dwindling and will be eliminated" by March 31. He declined to say whether that debt would be liquidated by selling it to other banks or by accelerated re-payment by South Africa.

Citibank is the latest of several major U.S. banks that have moved in recent years to sever their deal-ings with the white minority gov-ernment of South Africa. At least partly as a result, total U.S. bank loans to the South African public sector dropped from \$623 million in June 1982 to \$343 million in September 1984, Federal Reserve Board figures show.

Five states and at least 11 municipal governments have passed laws requiring the states and municipal-ities to divest at least some of their ssets from banks and corporations that do business with Pretoria. Last summer, the trustees of the New York City Employees Retirement System became the largest U.S. pension fund to approve such a

Had Citibank not taken the measures it announced last week, that policy could have required the pen-sion fund to sell of about 222,800 shares of stock that it held in Citicorp. Citibank's holding company, Mr. Matthews said.

Last week, Mayor Edward I. Koch of New York introduced a bill that in most cases would have prohibited city deposits in banks that underwrite securities or make loans to the South African government. This proposal could have affected about \$500 million in city deposits in Citibank, Mr. Matthews said. The bill was expected to be passed easily by the City Coun-

Mr. Koplowitz declined to comment on whether the bank's new

He stressed that the move was part of a "continuous" evolution of bank policy relating to South Afri-ca, in which Citibank has repeatedly tightened its criteria on the types Witter Reynolds, predicted the Si-

Iran Reported To Trim Price Of Crude Oil

TEHRAN - Iran has reduced its prices for light and heavy crude oil, effective Feb. 1, a senior Oil Ministry official said Sunday.

The cuts reduce the price by \$1.05, to \$28.05 a barrel, for light crude and by 20 cents, to \$27.35, a barrel for heavy, he

fran was one of three dissenters to the Organization of Petroleum Exporting Countries' new pricing structure, agreed to in Geneva in January. That included a \$1 cut in the price of Saudi Arabia's light crude to \$27 a barrel.

But some of Iran's customers said after the meeting that it would have to offer concessions to make its oil competitive. The new prices remain on the basis of customers bearing the cost of shipping from Kharg Island, Iran's main oil terminal, which has been the target of Iraqi air



French-Run Hypermarket a U.S. Hit Low Prices, Range of Goods Lure Cincinnati Shoppers

By Steven Greenhouse

New York Times Sernce CINCINNATI — With its 40 checkout lanes and 75 aisles, the new Bigg's "hypermarket" here could well be called the Mount Everest of U.S.

The bustling store, 150 yards (137.2 meters) long, sells everything from cucumbers to computers, poultry to pocketbooks, éclairs to exercise bicycles. With 60,000 items on sale, four times that of most supermarkets, Bigg's is as much a jump from the typical supermarket as the supermarket

was from the morn and pop grocery.

"We're neither a supermarket nor a department store. We're both," said Jacques LeFoll, executive vice president of Hyper Shoppes Inc., the 90-percent-French-owned, U.S.-based company that

runs Bigg's.

Euromarché, a leading French retailer and the principal owner of Hyper Shoppes, sees the experimental store as a springboard for many more such combination supermarket-department stores on

"We hope to open five hypermarches each year," said Mr. LeFoll, a 38-year-old Parisian who runs Bigg's from his office in one corner of the If the Bigg's in Cincinnati succeeds, some super-

market analysts say, it could encourage other su-permarket chains to build such huge hypermar-kets. Very large combination stores already exist in some areas, such as Schwegmann's in New Or-leans; Fred Meyer in Beaverton, Oregon; and Meiger's in Grand Rapids, Michigan, but they are

not as big as Bigg's.

The success of Bigg's formula is not a foregone conclusion, however, analysts say, because it faces

intense competition.
"It won't be all that easy for them to expand,"
said Stuart M. Robbins, an analyst with the Donaldson, Lufkin & Jenrette Securities Corp. "The nation is pretty saturated, well stored with supermarkets. There are already a lot of merchants with

very aggressive pricing policies."

But Mr. LeFoll is confident that Bigg's, which has 800 nonumion employees, can succeed through its blend of low pricing and high visibility. That formula has succeeded for hypermarches in Eu-rope, but there they did not have the severe discounting competition that they face in the United

So far, Mr. LeFoll said, Bigg's has far exceeded expectations. Since it opened in October, it has averaged more than 50,000 shoppers a week more than five times the draw of a normal super-

(Continued on Page 17, Col. 1)

Latin Debtors To Ask IMF for **Better Terms**

By Keith Grant

SANTO DOMINGO, Dominican Republic — Latin American industrial countries will respond, Brazil's finance minister. Ernance day meeting by reaffirming their basic demands for easier payment next few months.

The 11-nation Cartagena group, meeting here for the third time, called Friday night for improved repayment terms of the region's \$360-billion debt for all countries and measures to ensure economic and social stability.

It agreed to channel its initiative yet resolved in spite of progress through the interim committee of the International Monetary Fund and the World Bank's development

April. Calls from Argentina and some talks with the major seven industrial nations were not adopted but a communique said they will be in-vited to high-level talks after the IMF and World Bank meetings.

If Western nations snub this initiative "there will be a serious risk to economic, social and political stability throughout the region," the communique said.

Ministers said the Cartagena

group would tailor its future atti-

However, ministers were reluctant to spell out whether the group would get tough if its calls for dialogue were ignored.

this possibility, but in any case we are reasonably confident that the Brazil's finance minister. Ernane Galveas, said in an interview.

The Cartagena group will resame discussion of its proposals at the annual meeting of the Intergress is made in meetings in the next few months.

sume discussion of its proposals at the annual meeting of the Intergress is made in meetings in the next few months. mit them together with a technical document to the group of 24 leading industrial nations in Washington on April 15.

The document will emphasize the Latin American region's insis-tence that the debt problem is not made by some countries.

[Mexico's finance minister, Jesús Silva Herzog, told reporters, "The committee, which are meeting in debt problem is not solved and it is April. not business as usual again," the Calls from Argentina and some other countries for early direct Santo Domingo.

Dante Caputo, the foreign minister of Argentina, said, "What we are seeking from the industrial countries is the acceptance of the need to place the debt discussions in the framework of a political dialogue. The issues involved can't be limited to negotiations with bank-

[The refusal of the Reagan administration to give the Latin American debt "political status" tude, particularly in a submission to the summit of Western nations in Bonn in May, according to the response from the Washington which control trade policies, interest rates by central banks and consuch as the World Bank, that offer loans for development, the Los Angeles Times reported].

Bonn Struggles to Control Near-Record Unemployment Rate

By Warren Getler International Herald Tribune

BONN - Ask Chancellor Helmut Kohl how he plans to tackle West Germany's unemployment problem and he will tell you the jobless rate of more than 9 percent is the result of regional and demographic factors and cannot be solved "overnight."

But in several public appearances lately, Mr. Kohl has given evasive replies to reporters' queries whether his government has any real policy to combat unemployment other than through a projected 2.5-percent rise in West Germany's gross national product this

The opposition Social Democratic Party is taking Mr. Kohl and his economics minister. Martin Bangemann, to task for what it sees as an insufficiently active posture by the center-right government on bringing down the near-record number of jobless, measured at a seasonally unadjusted 10.6 percent in January, up from 9.4 percent in December. That 10.6 percent translates to 2.62 million people out of work in January.

In a policy paper presented to the Bundes-tag last week by two Social Democrat deputies. Anke Fuchs and Wolfgang Roth, the opposition party said the expected economic

the government to adopt certain measures, including tax breaks to companies hiring more workers, that would spur demand for labor.

Whether the projected 25-percent growth rate in February, like-rough to reduce unemployment is very unconstruction industry where nearly 500,000 certain. We at the OECD figure that growth of 25 to 3 percent is just enough to keep 10 percent of the total work force, he said.

Mr. Gattenper said the Fernomies Ministration of the total work force, he said.

ment — deemed top public priority by the government recently — is Mr. Bangemann's projection that growth in GNP of 2.5 percent will lead to 100,000 fewer unemployed this year than the 2.27 million jobless on average

West Germany's preference for steady non-inflationary growth rather than a rapid reverse than a rapid reverse than the 2.27 million jobless on average

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West Germany's preference for steady non-inflationary growth rather than a rapid reverse than the 2.27 million jobless on average.

The political impact of the issue may grow as the powerful labor unions and others begin to question how long West Germany will have to live with unemployment of 9 percent or more if the problem cannot be solved quickly. The issue will no doubt figure prominently in regional elections in March in the Saarland and in May in North Rhine-Westphalia, industrial areas with high unemployment and where the opposition Social Democrats and Greens threaten to make

Economists, meanwhile, are voicing skepticism about Mr. Bangemann's unemployment forecasts. An official of the Organization for Eco-

control, West Germany is in a stronger posi-

tion than most nations to stimulate demand for labor without fear of rekindling inflation. Pushing forward an income-tax cut worth 10 billion Deutsche marks (\$3.1 billion), originally planned for 1988, could be one way of reducing unemployment, he suggested. Josef Gattenger, an economist at a Munich research institute, Institut Für Wirts-

chaftsforschung, or IFO, says West Germany is stock with high unemployment for the next four or five years.

"Not until the wave of new workers from ernment's early retirement program.

est Germany's baby boom trails off in the ln addition, the economics minister, Mr.

(Continued on Page 17, Col. I) West Germany's baby boom trails off in the next four or five years are we going to see

budget deficit and bringing inflation under

growth alone may not be enough even to nomic Cooperation and Development in much significant reduction in the jobless stabilize the unemployment rate. They urged Paris, who asked not to be identified, said: rate," Mr. Gattenger said in an interview.

unemployment stable."

Mr. Gattenger said the Economics Ministry is "misleading the public at large" by

that because of Bonn's success in reducing its jobless this year." he said. "At best we may

see a marginal decrease of some tens of thousands. Mr. Gattenger said his institute believes

that there is a chance of pushing down average unemployment in the next two to three years to about 7 percent of the work force. To reach that goal, he says, steady economic growth of 3 percent is necessary, as is a reduction of working hours throughout West German industry — modeled after agree-ments reached by employers and the metalworkers union last summer for a 381/2-hour workweek - and a continuation of the gov-

IBM Readies Potent New Computer

BOSTON - International Business Machines Corp. is poised to announce its most powerful computer yet, industry analysts said

IBM announced last week a doupolicy was a direct result of the ble-capacity disk drive, a very high-New York City initiatives. He said it was reached by bank management after "an assessment of con- the introduction date of the longditions that affect our business evawaited Sierra. Some say there are erywhere, both here and in South strong indications that it could be as soon as Tuesday.

Sierra's introduction is expected to be the major event in the com-puter industry this year. Jay Steens, computer analyst with Dean егта "will permanently change the nature of the large processor mar-It is also expected to put pressure

new round of worldwide trade ne-

The officials at the two-day

meeting in Kyoto are the U.S. trade

representative, William E. Brock; Canada's minister for international

trade, James Keleher, the EC com-

missioner for external relations,

Willy De Clerco, and Japan's min-ister of international trade and in-

The four agreed on the need for

an early start to a new round of

talks under the auspices of the

General Agreement on Tariffs and

Trade, to succeed the Tokyo round

that will be completed in 1987, the

The sources quoted Mr. Murata,

who chaired the meeting, as saying

that the big question in promoting

the proposed new round of talks

dustry, Keijiro Murata.

sources said.

gotiations, the sources said.

on IBM's rivals in the mainframe structions per second is expected to computer market — Burroughs range from \$150,00C to \$200,000. Copp., Sperry Corp., NCR Corp., IBM's mainframes now sell for Control Data Corp. and Honeywell \$173,000 to \$193,000 per unit, but

IBM is estimated to control 76 percent of the U.S. mainframe mar-ket, generally considered the most

It could also be more or profitable area of the industry. Mainframes are systems that

typically support more than 120 users and cost well over \$1 million. Of worldwide computer shipments of \$43.9 billion in 1983, 33 percent were mainframes, according to International Data Corp.

Currently, IBM's most powerful mainframe is the 3084-Q, which can perform 28.4 million instructions per second. Observers estimate that the Sierra range's capability as between 30 and 39 million instructions per second. Price per unit of 1 million in-

analysts say the Sierra cannot be directly compared because it will It could also be more compact

than its predecessors, because it is expected to pack all its power into two central processors paired to-gether inside one "box," Mr. Ste-vens said. The 3084-Q has four processors in two boxes. IBM's profit margins, already

among the highest in the computer industry, are expected to improve on the Sierra, whose technology is thought to require fewer parts.

To minimize impact on existing

lines, IBM is expected to introduce top-of-the line models well before

West, Japan Hold Talks on Trade

Agence France-Presse was how to inclu KYOTO, Japan — Top trade of-ficials from the United States, Can-The Japanese The Japanese minister also ada, Japan and the European Comstressed a need for a mid- and longmunity began discussions here -term strategy to adjust industrial Sunday on how to halt protectionstructures and check erratic fluctuism, sources close to the talks said. ations in exchange rates, the They also discussed starting a sources said.

> tors should also be tackled to roll back trade-protectionist moves, he The sources quoted Mr. Brock as saying that services and high-technology products should be included in the new round of trade negoti-

Growing problems of external debt and other macroeconomic fac-

ations, which he said should start as soon as possible and include as many nations as possible. The Kyoto meeting would provide a chance to spell out coordinated action to roll back protectionism, analysis said. But Japanese officials said the meeting

views on broad themes. The Japanese minister also held separate talks lasting 90 minutes with Mr. Brock, and was expected

was how to include developing to meet individually with the Canadian and EC officials.

Japanese officials said Mr. Brock warned Mr. Murata that Japan would face serious consequences unless it took substantial steps to open its markets to U.S. telecommunications equipment in the next few months.

Japan has prepared to open its

communications market through privatization of the state-run Nippon Telegraph and Telephone Corp. scheduled for April 1. Analysts saw Mr. Brock's warn-

ing as a sign that the United States wants Japan to take effective measures before April 1.

■ Customs Agreement The Japanese Foreign Ministry

said Japan and the United States had agreed to abolish customs tariffs on semiconductors from March 1, Reuters reported from Tokyo. amounted only to an exchange of

Notes on the agreement were to be exchanged in Tokyo on Monday by Foreign Minister Shintaro Abe and Mr. Brock, the ministry said.

U. S. Consumers' Confidence Rises

NEW YORK - U.S. consumer confidence rebounded in January from the December doldrums in a volatile pattern that is reflected in

other economic data, The Conference Board reported Sunday.

The Consumer Confidence Index climbed nearly 10 points last month to 95.3 (base 1969-70), regaining nearly all the ground lost in December, the private business research organization said. The Buying Plans Index also bounced back, rising to 101.2 from 96.2 in December, the latest monthly survey showed.

Nearly 22 percent of the 5,000 U.S. households surveyed believe the same of the 5,000 U.S. households surveyed believe the same of the 5,000 U.S. households surveyed believe the same of the sam

business conditions will improve during the next six months, up from "The rapid turnaround in consumer spirits in January following the

sharp drop in December is perplexing," said Fabian Linden, executive director of the board's Consumer Research Center. "But this volatile pattern is also revealed in other recent data, such as in the widely cited Department of Commerce Leading Economic Indicators," he said.
The January survey found that 29 percent of the respondents expect their incomes to increase over the next six months, up from 27 percent in December. And almost 18 percent believe employment conditions will improve, up from 16 percent in the December study.



International Bond Prices - Week of Feb. 7 Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277 Prices may vary according to market conditions and other factors. RECENT ISSUES 10.65 10.97 4.16 1.27 10.07 10 Brode Cossonia Corre Brode Intil Fenonce Burdinston (Int Fenonce Burdinston (Int Fenonce Burdinston (Int Fenonce Burdinston (Interpretation) Burdinston (Interpretation) Burdinston (Interpretation) Corrier Intil C SWEDEN SUTH AFRICA Sweden Ling Canco Electrollus Encason Ling Encason Lin ou 7. 17 Feb. co 7. 17 Dec. co 114 When Co 114 Co 1 10.93 11.79 8.02 12.54 12.91 8.71 10.45 10.90 12.14 12.36 10.00 12.76 7.85 10.46 11.27 8.81 12.41 11.77 11.15 12.77 9.34 野田で STRAIGHT BONDS 12.45 15.92 9.17 15.97 18.50 9.24 14.92 17.22 11.51 9.17 8.50 All Currencies Except DM SPAIN **AUSTRALIA** Sills See Fin Telecomm Turks City JAPAN Turks City JAPAN Benk Of Tokyo Curocos Benk Of Tokyo Holding Curocos Condo Commeter Xive Fill Indian Electric Power Fill Indian Electric Power Fill Indian Electric Fower Fill Indian Electric Commeter Xive Fill Indian Electric Fower Indian Benk Jopen Fill Indian Benk Jopen JAPAN 108 | 100% | 1 100% | 1 100% | 1 100% | 1 100% | 1 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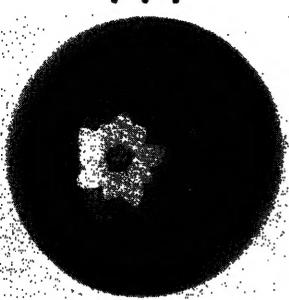
Making the Most Of a U.K. Rate Rise

The Thatcher government's strategy to defend the pound through higher interest rates has sent a shiver through British markets. But Michael Jankowski, chief bond economist at Simon & Coates in London, regards the rate rise as an investment opportunity. Far from bemoaning the recent 2-point increase in base lending rates, Mr. Jankowski says it gives investors a chance to lock in attractive yields and position themselves for a rally in U.K. government bonds, called gilts, when rates fall later.

when rates fall later.

Yields on gilts of 15-year maturity are running at 11.5 percent
on a semiannual basis, slightly higher than comparable U.S.
Treasury debt, he notes. Given the usual relationship between U.S. and U.K. bonds, the "gilt market has great scope for a reduction in yield," he argues. With British inflation at about 5 percent a year, real yields are high. Also, "the perception right now is that sterling is undervalued on any basis," he says.

He expects the government to let interest rates ease downward as soon as practicable, setting the stage for sharp increases in gilt prices. On the basis of price alone, the U.K. bond market could outperform the U.S. bond market by as much as 11 to 12



A rare St. Louis blue-ground bouquet weight

A Major Auction Of Paperweights

Collectors of Old Masters have their Rembrandts, sculpture devotees their Rodins. But it is the Clichys, St. Louis' and

Baccarais that excite a serious student of paperweights. These are the three glassworks in France that produce the most soughtafter paperweights. Their pieces, experts say, are considered essential for a serious collector.

On March 14, Christie's will hold an auction in New York of Cichy, St. Louis and Baccarat works acquired by the late R. Henry Norweb, former U.S. ambassador to Paris and other European posts. Mr. Norweb assembled an impressive collection of paperweights from around the world. tion of paperweights from around the world.

Initially, paperweights were used for purely practical purposes in the 19th century. But as glassmakers became more elaborate and colorful in their designs, paperweights gradually were moved from desk tops to display cases.

Although paperweights have been the object of serious collecting since the early 20th century, interest was revived in 1979

when the Gingham Weight, a foral design by St. Louis, fetched \$100,000 at a London auction. Rachel Russell, a ceramics and glass specialist at Christie's, says prices of \$10,000 to \$20,000 for the weights are not uncommon.

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Dollar Surge Hurting New York Apartments

Politicians and bankers are not the only ones howling about the run-up of the dollar. New York City real-estate agents are complaining that the currency's record performance is discouraging foreign investors from buying luxury condominiums.

Luxury buildings like the Trump Tower, Trump Plaza and Park Tower, where apartments range from \$500,000 to over \$1

range from \$500,000 to over \$1 million, still report good sales.

But New York brokers say a drop in the number of foreign buyers has contributed to a significant slowdown in the rate of

appreciation on luxury condos. "Three years ago, we sold at least half of the Trump Tower to foreigners," says Jacquelyn Sonenberg, a sales representa-tive for the Trump Organization. "In the last 18 months it's

been strictly Americans."
For 1985, Marc Broxmeyer, a partner with Bellmarc Inc., estimates that the annual return for Looking Up: A new condominiums priced over \$1 apartment tower at million will fall to 10 percent from 18 percent to 20 percent in 500 Park Avenue in 1984. The appreciation of conmidtown Manhattan. dominiums selling in the lower

price range of \$300,000 to \$600,000 is higher, but brokers doubt that returns will match last year's 30 percent to 40 percent.

A lower rate of appreciation, brokers warn, could sour the appetite for million-dollar condominiums even more. Unlike cheaper condominiums, it is difficult to rent luxury apartments at a monthly rate that covers an investor's overhead.

Next Month

The big investment houses worldwide produce a bewildering array of research for investors and the professionals who advise them. Investors often complain that the endless reports on markets and companies offer them little substantial guidance, while the analysts say their role is misunderstood. In its March 11 issue, Personal Investing will look at how research is carried out and its unafally as a contract of the contrac usefulness to the investor.

Also next month: The attractions of Swiss financial stocks and

the economics of stamp collecting, plus regular features such as Chart Talk and coverage of international funds.

Personal Investing is published on the second Monday of the month. Reoders are urged to make the appropriate inquiries before committing funds to care incomment. committing funds to any investment.

Penny Stocks: Tales of Peril **And Profits**

By John Meehan

N 1982, Falcon Sciences Inc. looked like an exciting opportunity for bargain-conscious investors. The small New Jersey company had obtained a license to develop and market a method using steam to enhance oil-well production. Though inexperienced in the field of new technology, company announcements indicated that everything was going smoothly. Falcon even managed to clinch a few promising agreements its first year out.

And while the background was attractive, the

price was outright seductive. In the space of a year, Falcon's share price went from a meager 20 cents to over a dollar in over-the-counter trading. And the upward momentum showed no sign of slowing.

Falcon looked too good to be true. Investigators at the Securities and Exchange Commission thought so too. After a closer look at Falcon, they came away with a picture that differed decidedly

from the company's public image.
Falcon, according to an SEC investigator, was not the growing technology concern it appeared to be. Progress reports put out by the company were misleading and its transactions of questionable value. And instead of earning a living from engineering expertise, the commission said, a substan-tial portion of Falcon's revenue came from other sources, including a couple of gasoline stations in Arkansas.

It was all part of an elaborate charade, the SEC alleged, to increase demand for Falcon shares and inflate the price. When market sentiment was ripe, according to investigators, company officials sold stock from a cache of bogus shares they had tucked away, much of it in accounts with American bro-kerage houses in Switzerland. More than three million unauthorized, possibly counterfeit, shares were sold to investors in the United States.

Last year a federal judge ruled that company officials had violated U.S. securities laws, and he froze Falcon's assets. The case is still pending and the SEC is trying to recover money from the illicit stock sale. More importantly to shareholders, trading in Falcon stock has been suspended since last

May.

While the scope of the Falcon case is unusual, it illustrates the kind of recurring abuse found in the freewheeling penny-stock market, where bargain prices and get-rich-quick schemes lure thousands of investors each year and where unscrupulous



operators have earned the market an uncommon

"The penny market" is a term broadly applied to new and speculative issues in the United States that sell for no more than \$3 a share and often for just a few cents. Most are shunned by the Wall Street establishment and find their way to the over-the-counter market with the help of regional under-

While the debate over the legitimacy of penny stocks as an investment continues to rage, there is no disputing the public's fascination with the pennies. Given their humble beginnings, penny stocks have a lot more room for price movement and pack more of a thrill than blue chips. It is not uncommon for some penny stocks to double in value overnight. Moreover, if a fledgling company survives the bumpy transition to a going concern, the gains can

River Oaks Industries, a mobile-home manufac-turer based in California, is a legend in the market. It began trading over-the-counter at 50 cents a share in 1980 but has since climbed out of the

penny league and goes for more than \$7 on the New York Stock Exchange.

"A lot of people think they can make quick profits at these low prices," said R. Max Bowser, publisher of The Bowser Report, a monthly penny stock newsletter. "But the real successful players in the market are not only selective but have a lot of

The penny-stock market has gone through a lot of changes since turn-of-the-century gold and silver prospectors in states like Colorado and Utah, far from the established markets back East, distributed from the established from the established markets back East, distributed from the established from the establ uted penny shares to local townfolk to raise cash. While Denver, Colorado, is still considered the mecca of five-and-dime stocks, the emergence of New York, New Jersey and Florida as new-issue centers has considerably altered the market.

The oil and mining stocks that dominated the

market for the better part of its existence are no longer its mainstay. The penny market has given way to more trendy issues. High-technology and home-health-care stocks are now the rage.

Still, one similarity binds today's pennies with (Continued on Page 10, Col. 1)

U.S. Takes Another Swipe at Secrecy

By Robert C. Siner

HE simmering feud between the United States and foreign investors over the issue of bank secrecy and tax

evasion has erupted anew.

This time, the parties are skirmishing over a
U.S. Treasury proposal to tighten proof-ofresidency requirements for foreign purchasers
of American securities. In effect, the plan would require foreign investors in U.S. stocks and bonds to provide residency certification from

their governments.
Under current law, foreign owners of U.S.

stocks and bonds are subject to a 30-percent withholding tax on interest and dividend payments. Withholding on interest from bonds issued after July 18, 1984, has been repealed. Many people, however, avoid the deduction or qualify for a lower withholding rate through a network of tax treaties between the United States and about 30 nations. All of Western Fluore and Japan have such agreements with Europe and Japan have such agreements with Washington. For example, West Germans have only 15 percent of their dividends withheld.

It is relatively easy to benefit from treaty provisions. Buyers need only state that they are not U.S. residents and provide a foreign address. Many times they can simply purchase stocks through a bank in a treaty country and be taxed as a resident of that nation.

Treasury officials contend that the regula tions are being abused. They suspect that Americans are using foreign banks as a tax dodge and that residents of nontreaty countries are pur-chasing U.S. securities through banks in nations that qualify for reduced withholding. Moreover, tax evaders are difficult to catch because secrecy laws in many countries prohibit banks from providing information about a purchaser without client consent.

To counter such abuses, the Treasury wants foreigners to prove their residency. Under the proposal, overseas investors would have to submit a certificate of residency stamped with the official seal of the foreign tax authorities each time they purchase a U.S. security. The documentation would be required for all U.S. stocks. It also would affect interest payments from bonds issued before last summer's decision to climinate withholding.

It is part of "an overall program to try to close up some of the more obvious areas of abuse," according to an official at the Internal Revenue Service. "What we're saying is if you claim benefits in a country, than you certify that's where you live."

Not surprisingly, the proposal has drawn strong criticism from foreign banks with customers who want to remain anonymous. They argue that they cannot comply with certificate-of-residency requirements without violating the laws of the countries in which they operate. "The Swiss in particular weren't too happy,"

Also trapped in the middle are U.S. banks (Continued on Page 12, Col. 3)

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Channel Funds Are Back

Index of Low-Priced Stocks

includes 3,000 stocks of under \$10 a share

By Lynne Curry

VIOLENT swing in exchange rates, such as the dollar's latest surge, can wreak havoc on the best laid investment plans. It is little wonder that offshore currency funds, which were stung by British tax changes in 1983, are again beckoning anxious investors. By some estimates, there is well over \$1 billion in

these offshore funds, which are principally based in Jersey and Guernsey in the Channel Islands. The funds, which are usually set up by banks, operate much like a money-market mutual fund. They sell shares denominated in a variety of currencies and place the proceeds in the interbank deposit market

and a wide array of money-market instruments.

"They offer a high degree of flexibility, access to cash and, in a particular week, if one is not bothered that he may not get the finest rate on every currency, they are superb vehicles," says Martin Smulian, fi-nancial director of Bishop Cavanagh Ltd., a British financial consultancy. "Overall the mechanism is excellent."

In general, the funds offer better rates than an individual could obtain at a local bank for smaller, short-term deposits, along with having the flexibility to switch among currencies easily. By pooling investors' money and placing it in a variety of instruments and currencies, the funds can also reduce the risk of sharp exchange and interest-rate movements. Here are some of their main features:

• Investors can choose a fund in which the underlying deposits are in a single currency or a fund that is made up of a basket of currencies selected and managed by the fund's bank. In single-currency funds, most banks offer shares denominated in the U.S. dollar, the British pound, the Deutsche mark. the Swiss franc and the yen. For the managed multicurrency funds, shares are usually denominated in pounds, dollars or Deutsche marks, though the underlying fund assets can be in a wide range of

· For tax reasons, funds are further divided into "distributor" funds, which pay dividends every six months, and "roll-up" funds, which accumulate interest earned.

 Share prices vary widely, but all are geared primarily to the individual investor. A share in Citibank (CI) Ltd.'s Citifunds is about \$10, while shares in Schroder, Money Funds Ltd. cost about £10,000 (\$11,250). A typical currency-fund deposit is between \$1,000 and \$6,000.

• Fund management fees charged by the banks range from a half of one percent a year to as much as 2 percent a year, with the managed funds charging the higher fees. These fees can have a big impact on a

Top Performers

The 10 offshore currency funds with the best total return in 1984. Both capital gains and dividends were taken into account re-gardless of the fund's stated objectives.

	1984	2 years
Geofund Liquid Assets U.S. Dollar (Accumulation shares)	11.2%	21.9%
Geofund Liquid Assets U.S. Dollar (Income shares)	11.2	21.9
Liquibaer (Julius Baer) U.S. Dollar	11.2	21.1
Schroder Money Funds U.S. Dollar	10.4	19.4°
Fidelity Dollar Savings Trust U.S. Dollar	10.3	20.1
County Sank Currency Fund U.S. Dollar	10.2	16.0"
Standard Chartered Offshor U.S. Dollar	10.2	13.0
Old Court Int'l Reserves U.S. Dollar	10.1	19.9
Lezard Brothers Int'l Assets U.S. Dollar	10.1	19.4
Hill Samuel Int'l Currency U.S. Dollar	9.9	19.3
*Not in existence for the entire pe Source:	ried mea Lipper A	

fund's attractiveness. "The return is influenced by whether there is a high management charge," said Peter Scott, a director of Gartmore Investment, "It takes a long time to recoup some charges."

 Some funds impose a sales charge, called a frontend fee, especially for managed funds. For example, the Geofund Liquid Assets fund, managed by Manufacturers Hanover Investment Management Ltd., charges one percent of the initial investment, while Rothschild's Old Court International Reserves Ltd. charges 3 percent.

· Procedures for redeeming the shares are fairly standard. In most cases, there is no minimum or maximum holding time, but most banks will require at least a two-day settlement period, the normal

(Continued on Page 10, Col. 6)

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Penny Stocks: The Ultimate Speculation

(Continued from Page 9)

their forerunners: risk. Most companies trying to raise capital through penny issues are long on ideas and short on

Many are trying to sell a product or service that is little more than a gleam in someone's eye. For example, a July 1983 prospectus for a California company stated, "The company does not know what business it will engage in, has no plan of operation other than it will not engage in exploration for oil and gas, fuel distribution or minerals extraction business.

Irving Hale, executive vice president of R.B. Marrich, a penny broker in Denver, acknowledged that, "When you talk about penny stocks, you're talking about the speculative to the highly speculative. We strongly discourage the widow and orphan types from playing the market."

Indeed, start-up companies have a high mortality rate.

About half go bust within the first five years, and its no accident that these casualty-prone stocks gravitate to the lower end of the price range. Companies with no pasts and uncertain futures often find investors a lot more receptive when selling 100 million shares at 10 cents each rather than 100,000 shares at \$10 apiece.

Those in the industry acknowledge the problems but say that critics are ignoring a key role the market plays. "Small businesses don't have an easy time getting funded,"said Theodore Abruzzese, president of Wall Street West, a leading penny- stock underwriter. "Wall Street won't bother with them, so where can they go? There is a crying need for this market." Moreover, Mr. Abruzzese points to an "underlying con-

sumer demand" for penny stocks. "Penny stocks will continue to thrive as long as people want them," he said. Nowadays, the market is at a low point. A combination of adverse publicity, regulatory crackdowns and the uncertain mood about equities that prevailed last year has depressed the prices of penny stocks. Several penny brokers have been forced to close and the number of new compa-

nies going public has significantly fallen. Yet there is still interest among investors, especially when the stocks are at a few cents a share. Some market observers say if there is a rally on Wall Street this year, the bullish fervor is bound to trickle down to the speculative

"I don't have a crystal ball, but I do know the market always comes back, said Terry Freemen, publisher of the National OTC Stock Journal, which covers low-price, over-the-counter stocks. "Low priced stocks are noted for their boom-and-bust cycle."

Critics agree that there is potential in the market for a careful investor. "If you're not willing to do your homework, don't play the market," Mr. Freeman advised. "If you're not prepared to wear some armor, you're going to be

Among the more prevalent abuses to watch out for are brokers' claims to favorable insider knowledge about a new issue. Some brokers promise clients unattainable results to make a sale. Failure by the underwriter to disclose all information about a company is another common problem. There have been cases in which companies never stated the full extent of their debts and handed over the receipts of a public offering to creditors, leaving shareholders with worthless certificates.

In addition, the very fact that these stocks sell for pennies makes them vulnerable to price manipulation. Regulators say there have been instances in the past when two or more underwriters concurrently buy and sell equal amounts of stock after a public offering to give the appearance of market activity and to raise the share price. Then they sell off quickly and the stock collapses.

"It's a lot easier to push up the price of a \$1 stock than something that sells for \$50," noted Anne Flannery, associate regional administrator for enforcement in the New York office of the SEC.

Penny shares fall victim to abuse because little is known about most of the companies. Information on start-up companies is nil. Even information on the selling price of a

stock is hard to come by. Initially, many penny shares do not qualify for the

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Anne C. Flannery

"There is no instantaneous reporting." Miss Flannery said, "No one really knows on a timely basis who is buying or selling a stock." Moreover, she said, investors seem less inclined to press for information when spending only a few

Aside from a close reading of the prospectus, one method of limiting vulnerability in the market is to spread the risk among several stocks. A diverse portfolio of as many as 20 penny stocks is not uncommon. A handful of penny-stock funds are available but their recent performance has generally reflected the weakness in the market.

Some analysts also arge investors to avoid issues that seem to have an infinite amount of shares outstanding. This

with penny stocks

is a common occurrence in the penny markets where underwriters price an issue low enough to attract attention but are forced to inflate the size of the offering to raise sufficient capital. Earnings of \$2 million, not bad for a start-up company, can be meaningless if distributed among

Some penny professionals stay away from new issues, especially ones that go for just a few cents a share. Although some show the quickest appreciation, many fall prey to short-term speculators, who have traditionally prowled the

"Suppose something goes public at 10 cents a share, begins trading at 30 cents," Mr. Bowser explained. "By the time its reaches 30 there is already some selling and at 50 cents a [speculator] has sold out and is chasing something

Mr. Bowser prefers "minipriced" stocks that range from \$1 to \$3. These have usually withstood the initial speculative battering and have developed some kind of track

And instead of depending on a price/earnings ratio that is often meaningless in the new-issue market, he uses an asset/liability ratio to make sure he is buying into a viable concern and not an overly burdened business headed for failure. Mr. Bowser thinks a ratio of 1.8 is the minimum acceptable. For example, if a company has \$1 million in

liabilities, it better have almost twice the amount in assets.

The hottest category in the market currently is health care, according to Mr. Bowser. He likes Cosmopolitan Care Corp., which provides a home-health-care service. It went public last May at \$2.50 per unit, which included a share of common stock and a warrant to buy another share. It is now trading at more than \$3 on the American Stock Exchange. Allied Nursing, another Bowser favorite, went public last year at \$1 a share. It is now trading over-the-counter at around \$1.60 bid.

Bill Matthews, publisher of Cheap Investor, a Chicago--based newsletter, has a slightly different strategy. He prefers stocks that have been around for awhile, especially former high flyers that have stumbled into the ranks of the

A recent favorite has been American Motors, which slumped to a low of \$3.25 on the New York Stock Exchange. Mr. Matthews reckoned that it was due for a turnaround, and it is now trading around \$4 a share.

While many people in the penny market may find his approach unorthodox. Mr. Matthews contends that his ie-Cheap index, made up of 27 out-of-favor stocks that trade for under \$10 a share, has risen by more than 180 percent since 1981.

"I'd say 90 percent, no 95 percent, of penny stocks are junk," Mr. Matthews acknowledged. "But that still doesn't mean that there isn't quality out there."

There is no disputing Foreigners Climb Aboard the public's fascination The Rally in Frankfurt

By Warren Getler

HE Frankfurt Stock Exchange, once regarded as one of the stodgiest markets in Western Europe, has taken on an air of excitement.

The Commerzbank Index of 60 leading shares. which closed 1984 at an historic high of 1.107.9, continues its record pace. The index climbed to a high of 1.171 on Jan. 23 and, although it has since fallen from that peak, is expected to push past 1,200 without much resistance in the coming months.

"We're confident that upward trend will continue. showing a gain of 10 percent on the year," said Wolfgang Otto, executive vice president at Commerz-

In explaining their zwersicht — the German equivalent of bullishness - brokers and analysts cite several anticipated economic benefits. Steady, nonin-flationary growth of around 3 percent, a 10-percent increase in corporate earnings and expanding capital investment are projected.

Rising interest rates, however, spoil an otherwise favorable economic picture. A half-point increase in the Lombard rate to 6 percent Feb. I was a setback to the market. Investors fear the Bundesbank may push rates even higher to defend the mark against the

Ekkehard Scheid, a partner at PM Portfolio Management, a Munich-based underwriter, warns that rising rates could in effect put a lid on German stock

An intriguing aspect of the Frankfurt rally is the depth of foreign participation. German stocks have never had a reputation for attracting the interest of foreigners the way U.S. and Japanese shares have.

The Frankfurt market is dominated by big, closely held companies. Share prices rise and fall at a snail's pace, and there is not a lot of opportunity for bargain hunting. Smaller companies have traditionally shunned the equity market as a source of capital, relying on bank borrowing instead.

Nevertheless, foreigners accounted last month for more than half of all stock purchases, and money continues to pour into German stocks from abroad. Much of it is from U.S. pension funds managed in

In large part, the new fascination with German equities stems from concern about the dollar. The Deutsche mark is seen gaining most from a weaker dollar, and investors in German securities are clearly attracted by the prospect of reaping huge currency gains. In the meantime, the mark's relative weakness benefiting German exporters. Some investors outside Germany hope the influx of

foreign investors will liven up the market. There are

some signs that the environment there is changing. By German standards, last year was unusually active for new issues. Both Nixdorf and Porsche turned to the stock market rather than to banks for funding. Regardless of the motives of foreign investors, analysts say that their interest has played a key role in

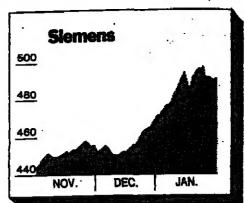
the current rally. They will continue to provide a helpful nudge to the market, analysts say, providing the mark stays weak against the dollar. "if the dollar drops, possibly as a result of coordi-

nated central-bank intervention and interest-rate hikes, we'll see heavy profit-taking here and the index will fall," cautions Dietmar Viertel, analyst at Trinkhaus & Burkhardt, a Düsseldorf-based private bank. Timothy Plant, a German market specialist at E.B.

Savory Milln in London, believes the German market is experiencing the second leg of a rally that began in September 1982 and resumed after the metalworkers strike last summer. This conforms with the historic German pattern of bull markets lasting two to three "I'm recommending the phalanx of stocks that will

be leading German economic growth in 1985: broad--based exporters and manufacturers of capital goods, especially machinery and electronics," Mr. Plant said. Exporters, he added, should not have a disproportionate amount of their business in the United States.

Analysts agree when it comes to identifying issues to avoid in 1985, a year when consumer demand is expected to remain depressed as unemployment con-



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By William McBr

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The sharp rise in Siemens shares.

tinues to hover around 9 percent. Department stores and home construction shares top the list of untouch-

Siemens, the electronics giant, is a favorite among market watchers for 1985. Its share price has pushed past a record 500-DM level from lows of 350 last July. The company also is increasing its dividend for the first time in more than 12 years, to 10 DM from 8

Standard Elektrik Lorenz, the West German subsidiary of ITT Corp., could see its share price surge steadily in 1985, according to some analysts. The company is bouncing back from several disappointing years with the help of major infusions of investment capital from the U.S. parent. SEL's price/earnings multiple, however, hovers around 24, too high for many potential buyers.

As for the hot high-technology electrical stocks, Nixdorf and Philips Kommunikation Industrie, analysis are recommending a more cautious line. The markets for these shares are thin and their multiples are over 20, considerably above market averages.

Karlfried Sanner, a Deutsche Bank analyst, takes a slightly contrarian view, however. He points out that Nixdorf, the market's only true computer company, has more opportunity to benefit from an upware trend in the industry than bigger, more diversified Siemens. On the other hand, Philips Kommunikation has simply exploded to the 700-DM level from 400 in July and is bound for a major consolidation, says Margot Schoenen at Westdeutsche Landesbank in Paralleling electricals as top buy recommendation

are machinery makers, including KHD, Linde, GHH and Deutsche Babcock. The latter two are favored by Mrs. Schoenen because of their greater turnsround potential in profit performance. Babcock, for instance, is restoring a dividend after a two-year hiatus.

A third broadly recommended group is the finan-cial sector, including the three major commercial banks and several insurance companies led by Allianz Versicherungs.

Market analysts hold mixed views of the chemical

and automobile sectors, both of which had strong profit years in 1983 and 1984.

"The big three chemicals, Bayer, Hoechst and BASF, are not my first choice to buy this year in so far as they won't be the nation's growth leaders," said Mrs. Schoenen of Westdeutsche Landesbank. They may be able to maintain the fantastic profits posted last year but earnings are not likely to go higher, she

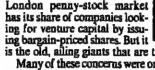
Commerzbank's Mr. Otto is bucking the skepticism about big chemicals and is strongly recommending Hoechst, Bayer and BASF because their shares are undervalued, selling at P/E ratios of below 6. In addition, the three may increase their dividend on 1984 results by 2 DM, a mark more than originally projected. Mr. Otto said he also favors a specialty emical issue, Altana, despite its thin market. Auto issues, with the exception of the widely sought

blue chip. Daimler-Benz, and the dynamic new listing, Porsche, are not being recommended strongly this year by brokers because of trouble surrounding the emission-control debate in the home market and in anticipation of slackening foreign demand.

Scouting Has-Beens in London

"Start ups" and "turnarounds" may be the buzz words of the U.S. penny-stock market, but it is the "has beens" that give its London counter-

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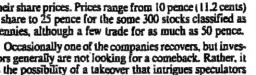
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paratively short time. Previously, all

Platinum has only been available

ing or industrial companies that fell victim to the recession in the early 1980s. Some are simply shells with little

Typically, the companies' misfortunes are mirrored in



tors generally are not looking for a comeback. Rather, it is the possibility of a takeover that intrigues speculators - private companies in Britain find it less expensive to

npany was a small, unprofitable textile maker with a market price of about 12 pence when Asil Nadir, a Turkish-Cypriot entrepreneur, bought it out in 1980. Mr. Nadir subsequently used the company as a vehicle

to develop his citrus packaging and packing plants in Northern Cyprus and Turkey. Later, he revived the

their share prices. Prices range from 10 pence (11.2 cents) a share to 25 pence for the some 300 stocks classified as By Lynne Curry

part a special flavor. Smaller, but no less hazardous than the U.S. market, the London penny-stock market

is the old, ailing giants that are the main attraction. Many of these concerns were once profitable engineer-

pennies, although a few trade for as much as 50 pence.

acquire an existing company rather than go through the expense and paperwork of going public. The classic penny stock in London is Polly Peck. The

company's former textile business, and the share price soared to 3,550 pence in 1983. In January, 1984, Polly Beck shares split 10-for-1; the stock is currently trading in the range of 235 pence.

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8 months	8.56%	9.45%*
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3 years	9.16%	10.11%
5 years ·	9.46%	10.44%
7 years	9.66%	10.66%

These were the prevailing rates paid on deposits made during the week ended Monday. Feb. 4th. The rate is guaranteed for the entire lerm you sign up for. Rates on other change weekly in accordance with the rise or fall in the 13-week U.S. Treasury Bill rate. Being fixed-term deposits, should an early withdrawal be necessary, a substantial interest

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Sorting Out the Channel Funds

(Continued from Page 9) practice in foreign-exchange markets. A few stipulate seven day's

· Switching shares from one currency to another usually involves a two-day settlement period starting from the time the order is received. A few banks make it easier on investors by allowing them to switch by telephone.

good strategy, in practice it is no-toriously difficult to get both the timing and the currency right. Even professionals who guide the

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multicurrency managed funds have trouble timing currency

While switching sounds like a

The clear winners this past year from any European currency to the U.S. dollar and back. Italian lira and French franc shares also fared reasonably well for those individuals who held them as straight deposits and did not

were those investors who switched switch to other currencies.

Other complications involve a tightening of British tax regula-tions. In 1983, the government began treating interest earned on these funds as income for British

residents unless the company distributed dividends. Prior to the ruling, interest had been taxed as capital gain, which put it in a significantly lower tax bracket. While these changes affected only British investors, they triggered a signifi-cant fall in the assets of all offshore funds.

The funds operate in a hazy regulatory environment. The U.S. Securities and Exchange Commission has ruled that U.S. residents cannot buy these funds, but the status of U.S. expatriates is undefined. Most of the funds do not ask clients to declare their nationalities, however.

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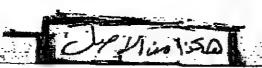
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Rethinking the Index Options

By William McBride

O hear many investors tell it, the attractions of stock-index options can be summed up in two words: simplicity and profit. "As a vehicle for speculating, it's a low-priced, highly leveraged way to bet on the market," says Robert Katz, an experienced Chicago investor and money manager. "And it's a lot easier to guess a market move than the movement in a single

Yet, Mr. Katz says he no longer uses index options to speculate, even though he had "made some money" in the market, "Trying to outguess the guys on the other side of the transaction just became too difficult," he said. He now pursues a strategy that uses index options mostly as a means to hedge his portfolio of convertible stock,

Mr. Katz' change in focus is instructive. While there is little doubt that some speculators have done well at the index-options game, many experts remain skeptical of the average investor's ability to outguess the market on a consistent basis. They say the market has attracted such a large number of well-fi-nanced institutional players that individuals find opportunities for profit extremely rare.

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"I don't really believe that the average person can really make money speculating in these options," said Donald T. Mesler, a Chicago investment adviser. "Occasionally you're going to make out like a bandit but, over the long haul, I'm not very optimistic about using these options for speculation."

Such negative thinking has not held back the ranks of the nonprofessional players who helped push 1984 volume in the Standard & Poor's-100 index option to nearly 49 million contracts on the Chicago Board Options Ex-change. Each day, about 300 traders crowd into the pit area to trade the S&P-100 contract, which alone accounts for 87 percent of

total volume in index options.

Roughly 70 percent of all trading volume in the S&P-100 contract is by market makers on the floor of the exchange or by member firms for their own account. The clients of brokers account for 30 percent.

Jerome Mangin, of Bache Securities in London, said that for about 95 percent of the individuals who play the S&P-100 index options, "It's a pure speculative play." Few de-part from the basic strategy of purchasing a call, which grows in value as the index rises, or a put, which profits from a decline. Most shun the complicated combination strategies called straddles and spreads.

The reason that many speculators will end up on the losing end are complex and involve the way that options are priced and the structure of the market, the experts say.

They note that the options market is a zero-sum game with two sides. On one side are the buyers of puts and calls who pay a price for the contracts, called a premium, in the hope that the index will move sufficiently to create a profit. On the other side, are the sellers of contracts who, in effect, cover those bets in return for receiving premiums.

Neither side can long enjoy an advantage over the other. "If buying options was such a good deal, then investors would push up the price until premiums were so high that the strategy would quickly become unattractive, Mr. Mesler says. Conversely, if selling options gave investors a meaningful edge, "sellers would come out of the woodwork" and the

advantage would quickly dissolve.

Observers of the index-option market note that premiums are set by the competition of tens of thousands of well-linanced buyers and sellers. Any contract that is perceived to be undervalued relative to the expected perfor-mance of the index will quickly be spotted and the premium bid up. Similarly, a contract perceived as being overvalued will be sold and

the premium dragged down.

By definition then, the speculator can only make money by consistently buying undervalued contracts or selling overvalued ones. But, with the entry over the last year or so of increasing numbers of high-powered institutional players, these opportunities appear less frequently.

This makes it particularly tough for the

individual, who may not have the means or time to analyze and track the market. The return on occasional speculation "is not going to be very satisfactory," says Gary Gastineau, an options expert with Kidder Peabody. "This is an extremely efficient market."

For the buyer of a call or put, it is not enough to guess correctly about the direction of the market. A buyer of a call, for example, can be right about the index rising, but wrong about the magnitude and timing of the increase, If, during the lifetime of the contract, the index does not rise beyond the option's so-called striking price sufficiently to cover the premium and commission cost, then the option will expire worthless.

By some estimates, about 70 percent to 80 percent of all call contracts expire worthless, Mr. Mesler says the speculator in index options is simply employing the investment technique called market timing, which entails trying to guess short-term swings in the mar-



A floor trader signals a bid in the S&P-100 option pit in Chicago.

ker. "If the investor is one of those rare breeds who is good at market timing, then he has a chance," he said. If not, results can be spotty

Even some experienced traders are finding it increasingly difficult to make a profit on index options. Bache's Mr. Mangin said the high premiums on index options are driving him away from the market. "You need an enormous move in the market to make money," he complains, Mr. Mangin says he is going back to options on individual stocks.

Still, many professional advisers report that their clients do well. Richard Donsky, head of equity options for Shearson Lehman, says his

earnings history and projections, indebtedness and ability to deal with unexpected set-

backs are part of their long checklist.

The major difference between U.S. and

international ratings is the concept of country

risk. The sovereign rating for a government's Euromarket debt "usually represents the up-per limit of creditworthiness for a corporate

Although ratings can be an authoritative

guide, professional money managers fall back

on their own judgments in some cases. "The household names, those that are well known

ally hurt you," said Mr. McVeigh. He said

that the "reputation may be better than the

issuer" from that country,

rating" for some companies.

customers have turned in good results. But he stresses that index options are "for the knowledgeable investor with ample resources who has a knack for trading."

The determined individual speculator must devote a great deal of time to his strategy. Ray Lyon, a California investor who employs a sophisticated strategy involving the sale of call contracts, estimates he spends as much as 10 hours a day on his investments and takes several advisory services, "It's somewhat stressful," he says, "You earn your rewards."

Though options specialists are skeptical about the average investor's ability to outguess the market, they say index options still

The Basics

An index option can either be a call, a bet that the index will rise, or a put, a bet that the index will fall. The buyer selects a striking price and expiration date and is charged a premium for the contract, plus a commission by the brokerage.

Index options are unique in being settled by cash payment. If a contract is exercised, its value will be the difference between the striking price times \$100 and the Index times \$100.

For example, an investor who expects the market to rise could buy a S&P 100 call option with an April expiration and a 180 striking price. The premium would be about \$600. If the Index were to rise before the April expiration to 190, the buyer can close out the position and receive a cash payment of \$1,000 (190 × \$100) minus 180 × \$100). If the index had folious to rise sufficiently to had failed to rise sufficiently to create a profit, the contract would have expired worthless.

have an important role in investment strategies. Many managers of both individual and institutional portfolios use the full arsenal of option instruments in ways that often allow them to wring more return out of assets and keep a better grip on risks.

But, for the most part, the experts agree that the strategies used by big institutions and professional money managers are not suitable for the average investor.

Eurobonds: Making Use Of Ratings

By Terry Gross

UALITY has always been the watchword in Eurobond market. For the average individual investor, that term has usually been synonymous with bigness and a well-known name, such as IBM, General Motors or General Electric, to name a few among the pantheon of top U.S. corporate issuers. But slavish devotion to the instantly recog-

nized corporate name can cut into the returns

nd portfolio. With a few big-name U.S. prations issuing Eurobonds that yield less than U.S. Treasury bonds, investors may well wonder at the high price of "quality." Yet fishing for more attractive yields among the issues of lesser known, smaller companies has its own perils. There is always the nagging question of the creditworthiness of the issuer. Such difficult decisions are one reason that Eurobond investors are increasingly relying on the evaluations issued by the two major U.S. rating agencies, Moody's and Standard & Poor's. These ratings, by providing a more precise definition of quality, can help in the basic investing chore of maximizing yield at a

given level of risk. Both raving agencies have long been in the business of determining creditworthiness of issuers in the U.S. markets. Moody's started in 1909 and Standard & Poor's in 1923. They expanded their ratings to Eurobond issues in 1982 as U.S. corporations stepped up the already hectic pace of their international bor-

The ABC's of Ratings

ingine of immedia				
Symbols	Description			
Moody's: Ase, As S&P: AAA,AA	These two ratings are reserved for bonds of the best quality. The borrowers' capacity to pay interest and repay principal is secure.			
Moody's: A, Baa S&P: A, BBB	Borrowers in these categories are finan- cially aound but have been judged more vulnerable to changes in competitive or economic conditions.			

Adapted from Standard & Poor's international Creditweel

How Yields Vary Standard & Poor's composite index of Eurobond yields 14.0% 13.5 13.0 12.5 12.0 AAA These categories are for bonds that have 11.5 varying degrees of speculative elements. The companies' ability to pay interest and repay principal is in question. 11.0 1984 AUGUST SEPTEMBER OCTOBER NOV. -JEY

The firms' similar systems of sorting borrowers into categories such as "Aaa," and "Baa" are familiar to U.S. investors. Outside the United States, "we're certainly seeing a heightened awareness of ratings generally," said Hendrick J. Kranenburg of S&P's London office, "but there's still lag in the use of ratings compared with the U.S."

Moody's: Ba, B, Caa

and Moody's Bond Record

SAP: BB, B, CCC

Ratings can be thought of as one measure of the risk involved in holding a bond. As always, vields tend to rise as the investor moves from the highly rated, less risky issues to lower rated, more risky issues. In broad terms, the difference in yields between a bond rated Aza, the highest quality, and one rated Aa, the next highest ranking, can range from about a half of one percentage point to as much as three quarters of a percentage point. Even yields on bonds within a single rating

category can vary substantially, a situation that can sometimes prove advantageous for the alert investor. It is not unusual for a less-well-known borrower to issue Aaa paper in Europe at yields higher than other Asa-rat-

ed, better known borrowers.
"Where a rating is terribly important is

where the borrower is not well known," said Charles S. McVeigh 3d, a managing director for Salomon Brothers in London. In such cases, "a triple-A or a double-A will be very valuable." In effect, the investor can pick up extra yield with little or no additional risk.

In early January, Federated Department Stores, which owns Bloomingdale's and other major U.S. retailers, issued a Aaa-rated Eurobond. The yield was 11 percent. General Electric Credit Corp. issued bonds the same week, with a maturity of only one year longer, and was able to command a 10% coupon. The investor in Federated paper picked up about a half percentage point in yield over the GECC paper when maturity differences are consid-In some cases, the more risk-tolerant inves-

tor would do well to take advantage of the higher yields on issues rated below Aaa or Aa. "Single-A and Triple-B are still indications of solid credit quality." Mr. Kranenburg said.

The rating agencies look at a wide range of factors when sizing up a company's ability to repay debt. Industry and market position, management abilities, accounting practices,

How 2 Pros Use Them

ITH the boom in U.S. option markets came a new breed of money manager who uses these instruments to guide the funds of large individual portfolios. The services offered by two of these money managers, Bruce Lipnick of Wharton Asset Management and Gary Gastineau of Kidder Peabody, are good examples of how options are put to work by professional investors.

Though their approaches are different, both Mr. Lipnick and Mr. Gastineau have earned reputations for the successful application of options in managing the funds of a small group of well-heeled clients. A key element in both approaches is the use of options to tailor a portfolio to the client's tolerance for risk.

Mr. Lipnick, who guides about \$110 mil-lion, uses stock-index options both to reduce the risks of holding stocks and to react more quickly to opportunities in the stock market. An example of risk reduction is to use putindex options to lock in portfolio profits after an advance in stock prices. If the stock prices

then fall, gains on the value of the put options help offset losses on the portfolio. "We temper the downside in such cases," Mr. Lipnick.
"It's the same principle as insurance." If stock prices do not fall, the loss of the put premiums is looked upon as the cost of eliminating the risks of a sharp setback. Mostclients are willing to take a little less yield on their portfolio in exchange for putting a floor

under their losses, he says. client play the market. Mr. Lipnick says he may put a client's assets into secure shortterm money-market instruments and then use

the interest to buy stock indexes when the market looks right for move.

Mr. Gastineau, whose book, "The Stock Options Manual," is probably the most widely read text on the subject, employs a different approach based primarily on options on individual stocks. His strategy consists of con-structing what he calls a "synthetic" portfolio of options on individual stocks and occasionally with an option on an index.

Because the values of the stock options rise or fall predictably in response to changes in the underlying stock, the "synthetic" portfolio is what Mr. Gastineau calls the "risk equiva-lent" of owning the underlying shares out-

Such a portfolio has a tax advantage for the foreign investor, he notes. Foreign investors are subject to U.S. withholding taxes on dividends at rates ranging from about 10 percent to 30 percent, depending on a system of bilateral treaties. However, option profits incur no

Because the value of a stock option reflects the underlying share's dividend, the return on the "synthetic" portfolio will at least match the yield on the underlying stock. The result is that the foreign resident can, in effect, earn the equivalent of the dividends on the underlying stock free of withholding tax.

Both Mr. Lipnick and Mr. Gastineau say that an options-based investing approach is not for everyone. Indeed, only a few individuals would meet their minimum investment ement Mr. Lipnick will not portfolios of less than \$1 million, while Mr. Gastinean's Option Portfolio Service requires

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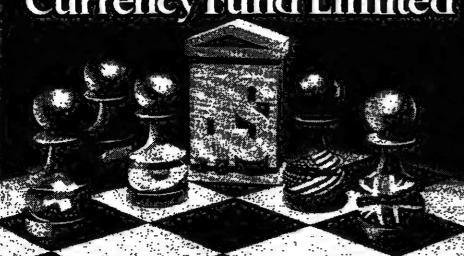
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A realistic look at the U.S. dollar.

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For more information about the U.S. dollar, send for our free report. Call or contact your nearest Bache Securities office.

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CHART TALK

Stocks

CJR's Thornton: A Long-Term **Bull on Far East**

By Bob Hagerty

HEN he made his first trip to Australia 21 years ago, Richard Thornton took the advice of a fellow fund manager and stopped off in To-kyo. It seemed to be right in the neighborhood, after all.

We were, neither of us, very good at geography," says Mr. Thornton, What really struck him after the trip, though, was that Western fund managers knew even less about the Japanese stock market than they did about the niceties of map reading.

Over the past two decades, Mr. Thornton has gone some way to-ward rectifying that problem, working as an Asian specialist at Foreign & Colonial Investment Trust and later at GT Management, of which he was a founder, and most recently at Charterhouse

1983 as a director.

As CJR's top Asia expert, the Oxford-educated barrister remains a long-term bull on both Japan and Hong Kong.

At the moment, Mr. Thornton is "tather hyped up" on Japan's export-oriented blue chips. Foreigners have been net sellers of such shares for the past year, he says, even though the weakness of the yen against the dollar is pumping up Japanese exports to the United

"Everybody's saying, 'Well, when the dollar falls these companies are for the birds,' so that you now have them selling not much more than 10 times earnings," Mr. Thornton says,

He expects the yen to rise at least moderately against the dollar this year but doubts that share prices of Japanese exporters will suffer much. "I think that the mere fact of the yen strengthening prob-



Richard Thornton

ably would bring back foreign buying" of Japanese shares, he says. "And almost certainly those are the companies that loreigners

would want to buy."
Besides, Mr. Thornton says, such companies as Honda, Toyota and Kyocera have U.S. manufacturing plants, providing some shield against a weaker dollar.

He also favors such "solid exporters" as Fanuc, Makino Milling and Mori Seiki, makers of machine tools. Elsewhere, Mr. Thornton is bullish on certain non-life insurers, such as Tokio Marine & Fire and Taisho Kaijoo.

"Some of the store groups look quite interesting," he says, "My favorite of all is Ito-Yokado, which is extremely cheap and very, very well run." Certain food companies also find favor with Mr. Thornton: "I think even a relatively dull old stock like Kirin could surprise us. The beer is delicious, and there's the hint of a pharmaceutical, biotechnological buckdrop to it."

On the other hand, Mr. Thornton says, "I don't go with the frothy stuff. I don't know what to say about the pharmaceuticals. I think you pay your money and you take your choice and you hang on for a shake, rattle and roll— and you may end up underneath." If he is enthusiastic about Ja-

pan, Mr. Thornton is positively fervent about Hong Kong. Though the Hang Seng index al-ready has rampaged to above 1,320 from 750 last July, he says. 'I don't think you've seen any-

In Mr. Thornton's view, outsiders are underestimating the trade a more liberal economy with grow-

ing pockets of free enterprise.
On his last trip to Hong Kong, Mr. Thornton noted a boom in sales of cheap calculators to China, "The abacus was the rule until the last two years, and now sud- ty carefully."

denly they've all got conscious of calculators. Well, the impact of that sort of technology on a billion people who are innately clever and dexterous and diligent is going to be very, very dramatic.

China needs Hong Kong as a funnel for new goods and ideas, Mr. Thornton says. So he is utterly relaxed about the approach of 1997, when control of the colony is to pass from Britain to China.

What about the risk of another about-face in China's economic policy? "I'm very bold," Mr. Thornton says. "I'd say zero."

Under Deng Xiaoping, the re-formers are firmly implanted, Mr. Thornton insists. "The Cultural Revolution just couldn't happen again, as far as I see, I think it's much more likely you'll get a very big push to the right."

Surveying the rest of Asia, Mr. Thornton salutes the powerful economies of Taiwan and South Korea but finds their stock markets neither well developed nor sufficiently freewheeling.

"If you're going to go for unde-veloped markets, I prefer the rela-tively freer Thailand," he says. Detailed information and liquidity are scarce on the Thai market, but Mr. Thornton says there are several companies whose shares are attractive, Bangkok Bank and Siam Cement among them.

Occasionally, Mr. Thornton still manages a side trip to Australia. In that market, he prefers the commodity stocks.

The worldwide slowing of infla- ant mood. News that the economy tion "has not aborted a recovery in the price of raw materials, it's merely delayed it, and I see 1985 Kong arising from China's shift to a strong rise in some of the basic commodities.

> Mr. Thornton lapses into a rare pause. Then he adds: "I don't want to give the impression that one is rushing in with one's buying boots on, but I'm watching it pret-

Japanese stocks were the biggest winners in terms of total return in 1984, posting gains of more than 15 percent in dollar terms. British equities were a distant second, yielding about 5 percent because

Total return for 12 months

For fixed-income securities, the United States finished first, Total return on U.S. bonds exceeded 15 percent last year.

of the pound's weakness.

Total return is a measure of performance that reflects both changes in the prices of securities and the income they provide, cither in dividends or interest.

For the above chart, gains and losses were measured by comparing market indexes at the end of 1984 with their levels a year earlier. The chart does not take into account taxes or inflation rates.

On the New York Stock Ex-

change, winners outnumbered los-

ers for 19 out of 22 trading days

last month. The Standard & Poor's

500 index of stocks rose 7.41 per-

Investor confidence in the U.S.

cent over the month, closing on

economy contributed to the buoy-

grew by a brisk 3.9 percent in the

last quarter of 1984 went a long

Big Board, none showed a gain of

less than 50 percent. Leading the

list was Charter Co. The Florida

oil-refining and marketing compa-

ny, which filed last April for reor-

ganization under bankruptcy laws, disclosed in December a fi-

nancial plan that projected earnings of \$141 million over the next

A month later, Charter followed

up with an announcement that the company would sell off its insur-ance subsidiaries to Metropolitan

Life and concentrate on its oil

industrial-engineering company.

came in second among the win-

ners. The company was the target

of competing takeover moves. it

Commodore International was

Second on the losers list was

American Agronomics, an orange-

juice producer in Florida. Ana-

lysts said the stock fell prey to

On the American Stock Ex-

unusually steep run-up.

the end of the month.

one of the unfortunates that did not rise on the horns of the bull market. The computer concern,

finally was acquired in mid-Janu-

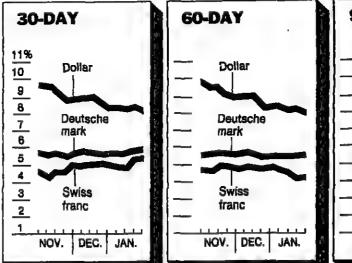
ary by Crane at \$29 a share.

holdings.

way to keep the rally going.

ing for months.

Jan. 31 at 179.63.



Total return of 12 months

Tokyo Stocks Rose 15% in '84

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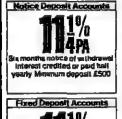
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LOMBARD DEPOSIT ACCOUNTS

CHEQUE BOOK AND

2500 ON THE DOW

The image of mankind, as theorized by Freud, suggests that all people are mentally iff, a dictum that blends with Schopenhauer's notion that "intelligence is, in some sense, innately benton self-annihilation". Their philosophies were mirrored by Aldous Huxley, who wrote... "The leech's kiss; the squid's embrace; the prurient ape's defiling touch. And do you like the human race? Not

Huxley's gloom was at variance with the noble nature of man as seen by his grandfather, T.H. Huxley, a staunch supporter of Darwin. Huxley mused.. "Man alone possesses the marvelous

endowment of intelligible and rational speech, and stands raised upon it as on a mountain top, far

above the level of humble fellows and transfigured from his grosser nature by reflecting, here and there, a ray from the infinite source of Truth". It may seem sacrilegious to transpose T.H. Huxley's

optimism to such mundane matters as stock markets. His vision was celestial, most investors see

Mankind's lack of vision is endemic, only a few mortals capture the "brass ring". The rest spin in disarray, on a carousel controlled by innovators, the "Power Elite". The basic premise of our investment philosophy is "contrarian"; the rational belief in tomorrow, in dawn, not dusk, the

ability to perceive what the "Crowd" rarely senses, the cerebral guts required to defy orthodoxy. In 1982, while the DOW was under 800, while the "Street" was cringing, we mocked the consensus, predicting "THE DJI WILL TOUCH 1,000, BEFORE HITTING 750". And now?

malaise, a malaise that infected thousands of investors. The market subsequently erupted on the upside; it will erupt again, vaporizing prophets of doom, escalating over 2500.

Our current letter focuses upon senior securities that appear poised for a major upswing; in

addition, we review a low-priced, emerging stock that may emulate the success of a recently recommended "special situation" that spiralled 800% in a brief time-span, after discovering a

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This remains a classic time to buy, not to sigh; a theme we vocalized during the market's last

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(BLOCK CAPITALS PLEASE)

Another U.S. Swipe At Secrecy Rules

that issue the interest and divi-The American Bankers Associa-

dend checks and act as withholding agents for the IRS.

the high cost of the paperwork the new rules would entail. The associ-

and Exchange Commission is reportedly split over the proposal. Those staff members favoring the new rules argue that it is essential that the United States bolster its ability to police foreign investors. SEC commissioners have been debating a proposal that would lift any claim to confidentiality when

Opponents warn that a unilateral action by the United States would discourage legitimate foreign investors from using the U.S. securities markets. They suggest that the commission explore other

Public hearings on the Treasury proposals are scheduled for late February, "It will create a bit of burden, but Treasury would like these rules to go into effect this year, if possible," a Washington tax expert said.

the latest round in the continuing battle between foreign governments defending their bank-secre-cy laws and U.S. tax officials trying to impose new disclosure

ing on their sovereignty by trying to extend American laws to foreigners living outside the United States. In the past, some foreign governments have threatened to enact laws making it illegal for their citizens to comply with the

In response, U.S. officials argue that foreign governments should not protect tax cheats. In this case, they contend, the sovereignty of other nations is not threatened because the scope of the rules is limited to American markets.

In the past, U.S. authorities have forced compliance by foreign citizens and banks through lines, seizure of funds and assets in the United States and by threats to cut off their access to American mar-

HE return of the indi-vidual investor in Janu-Gainers and Losers

ary gave U.S. stock markets the shot in the arm that analysts had been await-

Small Investors Lead a Rebound

GAINERS			LOSERS		
	Percent Gain	Jan.31 Price	Pe	Loss	Jen.31 Price
New York Stock Ex Compiled by Media General		vices. Prices i	n dollars		
Charter Co.	100	2.00	Commodore international	24	12.38
Unidynamics	84	28.75	American Agronomica	23	2.13
Anacomo	59	3.38	Nutri/System -	- 18	4.63
Continental Illinois	59	9.13	Safeguard Scientific	16	8.13
Evans Products	59	5.75	Tucson Electric Power	15	35.13
Wean United	57	8.63	KDI Corp.	15	7.63
National Homes	55	4.25	Centronics Date	14.	9.63
Newpark Resources	54	2.50	Frigitronics	11.	26.50
Heston Corp.	51	8.50	Purolater Courier	11	25.50
Quick and Reilly	51	23.38	Seaguil Energy	11	15.88
American Stock Ex	change:			-	
Okiep Copper	96	6.88	Ultimate Corp.	44	9.25
Pay Fone	91	5.25	Cagle's Inc.	24	6.00
American Medical Bidgs	. 90	2.25	Swanton	21	3.76
Heizer Corp.	88	2.00	Spencer Companies	17	10.13
Rooney Pace	87	5.38	Eastgroup Prop.	17	32.25
Over the Counter:	_				
Sunatates	524	16.00	Billings Corp.	50	3.63
Comlech	130	2.88	Unimet	.45	2.75
National Environmental	125	2.25	Hogan Systems	43	8.75
Fared Robots Systems	100	2.00	Citizens Savings	40	10.50
Zymos	96	2.81	Celina Financial	40	3.00
London Stock Exch	ange:				
Compiled by Capital Internati	onal. Prices in	pence			
Duntop Holding	46	37.5	Recal Electronics	19	212
Associated Newspaper	44	720	Standard Telegraph	13	252
Peninsula and Oriental	31	403	Thorn EMI	13	421
Ocean Transportation	23	153	United Scientific	13	227
European Ferries Group		154	Plessey	12	186
Britteh telecom	18	125	Powelf Duffryn	11	395
Pearl Assurance	17	1,153	Boots	11	178
Kleinwort Benson	17	445	British Home Stores	10	245
Cookson Group	15	536	George Winnpy	10	104
De Bears	14		Debenhams	9	195

(Continued from Page 9)

tion has expressed concern over

ation has urged that banks not be required to bear the burden of checking the validity of seals and signatures on certificates of resi-

which is having trouble selling its Commodore 64 model, announced that earnings in its fiscal second quarter tumbled 93.6 percent from the record \$50.1 million a year trading in U.S. securities.

profit-taking after last month's change, the market index climbed steadily for 16 consecutive days before falling slightly, to 224.07, at avenues in bilateral negotiations with individual countries.

The leader on the Amex was O'Okiep Copper, a mining con-cera with holdings in South Afri-ca. Analysts said the company benefited from expectations of a tightening in the international copper supply. Occupying the first position on the over-the-counter market was

The Treasury proposal marks Sunstates Corp., a North Carolina real-estate company. Sunstates, formerly traded on the New York Exchange, merged with Treco, a real-estate company based in Jacksonville, Florida, on Jan. 29.

Foreign governments complain that the United States is encroach-The enthusiasm surrounding Wall Street activity stimulated trading on the London Stock Exchange, although speculation about oil prices and a fluctuating inflation rate combined to make the British gains more tenuous. U.S. rules.

by the announcement of higher lending rates, the equity market made a strong showing in January; the Financial Times industrial index finished at 985.1, up 32.8 points from last month's close. Dunlop, making an impressive recovery from its financial woes.

led the gainers. Shares in the tire company, which outlined a Imancial-reorganization plan earlier in the month, were propelled higher by BTR's takeover maneuvers. Associated Newspapers [o]-

Despite the vicissitudes caused

insular & Oriental Steam made substantial gains throughout the month amid merger negotiations with Sterling Guarantee Trust.

Tokyo Stock Exchange:

Compiled by Capital Inter-

Yamanouchi Pharm.

Konishisoko Photo

Ploneer Electronic

Tulsho Pharmaceutical

Mippon Gakki

Asahi Optical

Yasuda Trust

Daiwa Bunk

Dailchi Seiyaku

There was little cause for rejoicing among British electrical concerus, however. Amid warnings of weak second-half results and speculation about government spending cuts, five members of the sector headed the market's losers list. Standard Telegraph, United Scientific and Plessey registered drops of more than 10 percent.

The Tokyo market also shared in the worldwide renewal of investor confidence, as the Nikkei-Dow Jones average closed the month at 11,992.31, up almost 4 percent from December's close. But Japanese trading was not as volatile as that in the U.S.

The market did set several new highs, however, especially in the middle of the month when cuts in the prime lending rate were announced. On the final day of trading, the index rose above the 12,000 level before retreating.

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sluggish, with most investors seeking out more speculative high-tech lowed on the list of leaders, largely due to strong annual results. Penand biotech-research concerns. Je 1100 150

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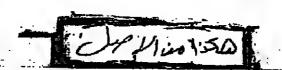
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Banque Nationale Commerzbank Ak Daiwa Europe Lin Dresdner Bank Al

Lloyds Bank Intern Morgan Guaranty

Wiss Bank Corpor

. N.M. Rothschild &



New Eurobond Issues

issuer	Amount (millions)	Mat.	Coup %	Price	Yield at offer	Price end week	Terms
ROATING RATE NO	MES	- ` ,					
Bankers Trust New York	\$300	2000	1/16	100		99.78	Over 3-month Libor, Callable at per on any interest payment date after 1986. Fees 0.32%, Denomina- tions \$10,000.
Ferrovie della Stata	\$460	1995	libor	100		99.64	Interest at the higher of either 1-month Libor or 6 month Limean, set monthly. Callable at par on an interest payment date after 1986. Fees 0.40% Denominations \$10,000.
PNC Financial	\$100	1997	1/16	100	-	99.50	Over 3-month Libor. Callable at par in 1989, Feet 0.60%.
FIXED-COUPON							
Bankers Trust New York	\$100	1990	11%	99%	11.16	97.38	Noncolloble.
Bergen Bank	\$ 75	1990	11%	1001/4	11.43	96.88	Collable at par in 1988. Payable April 15,
Federal Business Development Bank	\$ 50	1989	10%	99%	10.41	97.13	Noncellable, Payable April 15.
Ford Motor Credit	\$100	1995	11%	99%	11.70	97,13	Callable of 1001/2 in 1993.
Gould	\$75	1995	11%	100	11%	97.13	Callable at 101 in 1992.
John Deere Credit	\$150	1995	11%	99%	11.69	96.68	Noncollable, Payable March 19.
Kubota	\$150	1992	10%	100	10%	96.38	Noncollable.
Nippon Shimpan	\$ 50	1992	11	100.60		_	Noncolicble.
Nisshin Steel	\$ 50	1992	10%	100	10%	96.25	
Orient Leasing	\$ 50	1992	11	100.60	10.87	70.23	Noncolloble.
Rockwell Int'l	\$300	1992	10%	99%	10.93	97.13	Callable at 100% in 1989.
Royal Bank of Canada	\$100	1990	11%	100	11%	97.25	
Society for Savings	\$75	1990	11%	100	11%	_	Noncollable, Backed 150% by cash and securities.
Toyo Trust Asia	\$100	1992	11%	100	11%	98.50	Noncollobie, Payable May 8.
EIB	DM 300	1993	71/2	100	7%	98.50	Noncofioble.
Quebec Province	DM 200	1995	7%	100%	7.59	98.50	Noncollable.
Chrysler Financial	ECU 60	1991	10	100	10	98.63	Noncollable, Payable March 26.
Bank of Tokyo	Aus.\$ 50	1992	12%	101%	12.29	7000	
					_	_	Noncollable, Denominations Aus.\$10,000.
Bank Mees & Hope New Zealand	OF 150	1992	7%	99%	7.72	98.50	Noncollable, Sinking fund to start operating in 1989 to produce a 5.5-yr average life.
Breweries	NZ\$ 25	1991			15.82		Redeemable at par in 1989.
New Zealand Breweries	NZ\$ 25	1992	15%	99¾	15.84	98	Redeemable at par in 1990.
EQUITY-LINKED							
Kumagai Gumi	\$ 80	2000	31/2	100	31/2	_	Collable of 104 in 1988, Convertible at 600 year a share and at 260.75 year per dollar,
Moruzen	\$ 20	1990	open	100	_	99.50	Coupon indicated at 8%%. Noncollable, Each \$5,000 note with 1 warrant exercisable and shares at an expected 25% premium. Terms to be set Feb. 15.
Mitsui Petrochemical Industries	\$ 25	1990	814	100	814	101	Noncolichie, Each \$5,000 note with 1 warrant exercisable into thorse of 380 yet a share and at 261.85 yet per dollar.
Optec Dai-Ichi Denko	\$ 30	1990	open	100	_	-	Coupon indicated at 8%%. Nancollable, Each \$5,000 note with 1 warrant exercisable into shares at an expected 24% premium. Terms to be set Feb. 15.
Shin-Etsu Chemical	\$30	2000	open	100	_	98.25	Semionnual coupon indicated at 3%. Callable at 104 in 1989. Convenible at an expected 5% premium. Terms to be set Feb. 12.
Taiyo Yuden	\$ 50	2000	open	100	=	97.25	Semiannual coupon indicated at 31/4. Collable at 104 in 1983, Convertible at an expected 5% pramium. Terms to be set Feb. 14.
Yamato Transport .	\$40-	2000	3	·100 ·	3	98,50	Callable at 103 in 1990. Convertible at 1,238 year a

Bankers, Regulators Wary of Loan Underwriting U.S. to Permit

By Carl Gewirtz

PARIS - While regulators have not yet formally taken steps to curb the growing tendency of commercial banks to increase income by underwriting loan commitments of England and the Federal Reserve warned banks last week to be

At the annual banquet of the Overseas Bankers Club, Robin Leigh-Pemberton, governor of the Bank of England, said, "Bankers would be well advised to examine closely the extent of these risks and to consider carefully the appropriate price to charge.

And in a speech in Frankfurt, Henry C. Wallich, a governor of the Federal Reserve, said, "A bank is not strengthened . . . if it raises its capital ratio by placing some of its assets 'below the line' ... or substi-tutes contingent for ordinary liabil-

Despite repeated indications of official concern, bankers privately lament that this business will continue to grow until formal guidelines emerge. The Bank of England and the Fed have indicated that such guidelines are under study.

What worries bankers, as well as the regulators, is that the note placement facilities that banks are underwriting for relatively slim fees (which are taken directly into profits without any increase in the bal- draw the entire amount from the ance sheet as long as the notes are sold) can turn into low-margin bank loans if the note market sudby 4-point fee plus the 3-point utiany undrawn portion. denly turns sour.

stantially increase their assets the package total 1/2 percent. (loans) as a result of these underwritings. This would have the effect tured to appeal to banks looking to point. This is a very big drop in Guaranty Trust and Orion Royal of making the banks' capital ratios take assets on their books. The note costs, as it last paid ½ point over Bank.

deteriorate at the very moment facility will enable Portugal to test. Libor for five-year money. Fees on

cent upward drift in short-term in-paid last year to tap the syndicated running for seven years. Interest on the new loan is set at ¹⁴ point over cult to sell short-term notes.

plained, but at terms that are more over Libor. expensive for issuers.

lion of six-month notes last week at million, which many bankers say other DM loan a cost of 15 basis points (hun-will be increased to at least \$220 The operation dredths of a percentage point) be-million. Given the demand for low London interbank offered scarce high-paying credits and the did not participate in any of the old rates — less expensive than its preresulting decline in margins, there loans and is not putting any of its vious sales, which were at 10 and 9 basis points below Libor.

market is Portugal. It is seeking margin on their previous loan. \$500 million for eight years — half as a classic syndicated bank credit inated by U. S. banks, thanks to

(which are direct bank loans) or for posit or % point over Libor.

Euronotes. Underwriters will be U.S. banks have been largely that Thailand and two of its agenpaid an annual %-percent facility absent from lending to Eastern Eucles were expected to 1ap the Euro-Libor, Portugal can pocket the saving. But it is assured that it can U.S. prime rate. ty 1/2-point fee plus the 3/2-point uti- any undrawn portion.

ation charge).

when public confidence in the that market and possibly save on the new loan total 25 basis points. banks was likely to be weakest. borrowing costs if the market Avasa, a Spanish highway agen-While the flow of new transac- proves receptive. As it is, the terms cy, has consolidated five older and tions shows no sign of voluntarily are a marked improvement over the more expensive credits into a new ebbing bankers report that the re-solit 4-%-point margin Portugal 300-million-Deutsche-mark loan

We've seen some defensive bid- ed States is tapping the market for years and % point thereafter, down ding," said one banker. But, he \$150 million for five years. It will sharply from the more than 1 per-added, "it's not a brick wall." Paper sell one-to-six-month notes at a cent paid on the existing loans. In continues to be placed, he ex-maximum yield of 15 basis points addition, it is renegotiating terms

Britoil was able to place \$25 mil- syndicated loan market for \$150 112 points over Libor, and on an-The latest new entry to the note than an 4-point decline from the

The new loan is likely to be dominated by U. S. banks, thanks to the provision that lenders can opt to Portugal can ask banks to pro-rate of Citibank or 4 point over the banks has not impeded the syndipose terms for short-term advances 90-day rate for certificates of decaation of the new loan.

refused to pay interest based on the

The East Germans will pay

In sharp contrast, Vneshtorg, the The underlying concern is that if

This is the identical margin it

Soviet Union's foreign trade bank, a financial crisis shuts the market, will pay on its straightforward synis seeking a seven-year loan of 50 the banks would be obliged to sub
dicated credit. Front-end fees on million European currency units. It Managers say the loan is struc- rate for the first three years, then % facturers Hanover Trust, Morgan

Transco Energy Co. of the Unit- the interbank rate for the first two on five dollar loans, totaling \$125 relations between the two govern-East Germany is coming to the million, on which it is paying some ments.

The operation has created some friction, as Merrill Lynch - which was some surprise that the East money into any of the new opera-Germans had not secured more tions — is coordinating the refinancing. Commercial banks do not take kindly to what they consider

trespassing by investment banks. Merrill says that it is acting as an adviser to the borrower and that price it at 's point over the prime criticism from the commercial

Reuters reported from London that Thailand and two of its agenfee and they guarantee to take the rope, but these terms will be seen as market for a total of \$400 million in notes at % point over the London very attractive. Even Mexico, 20-year floating rate notes. The interbank offered rate. If the tender which is hardly in a position to agency quoted banking sources as panel bids less than % point over chose how it gets its money, has reporting that Thailand itself would issue \$60 million of notes, the Petroleum Authority of Thailand \$145 million and the Electricity Generating Authority of Thai-land \$195 million. All three will have investor "put" options after

10 years. The mandate for the notes has been awarded to Chase Manhattan, Lloyds Bank International, Long is to pay 14 point over the interbank Term Credit Bank of Japan, Manu-

Kuwait to Have Leases

WASHINGTON - The U.S. Interior Department, reversing a two-year-old ruling of former Secretary James G. Watt, has decided to make Kuwait eligible to acquire mineral leases on federal lands, ending a dispute that has troubled

The Watt decision, which was reversed Thursday by outgoing In-terior Secretary William P. Clark as his last official act, was precipitated by the takeover in 1982 of Santa Fe International Corp., an American oil company, by the stateowned Kuwait Petroleum Co. "We are very glad," said Talal Razooqi, first secretary at the Kuwait Embassy here. We felt the original decision was a mistake."

Kuwait Petroleum spent \$2.5 billion to purchase Santa Fe, a large U.S. oil-drilling and production company based in Alhambra, California. It was one of the biggest investments in American industry by any oil-exporting nation, and immediately touched off fears in Congress about the national-security implications of letting re-sources fall under foreign control.

It was largely in response to those fears that Mr. Watt, invoking the rarely used Mineral Lands Leasing Act of 1920, ruled that Kuwait discriminated against American oil companies and therefore should be prohibited from owning any interest in petroleum ses in the United State

The 65-year-old legislation contained a reciprocity provision giving the interior secretary authority to withdraw oil-exploration rights from foreign nations that do not provide "like or similar" investment privileges for American citi-

One of the key issues, according to Mark Guidry, an Interior Department press officer, was that Kuwait does not permit citizens of any country, including its own, to own oil leases. However, there are a number of other countries with similar policies, such as Britain, Sweden and Mexico, and the United States does not bar their activi-

"This will permit us to invest more fully in the development of oil and gas resources in the U.S.," said John Andrew Miller, vice president and associate general counsel million of federal onshore oil and The Euroyen market, hit by ungas leases in such states as Oklahoma, Louisiana and Colorado. States and the federal government share in the royalties from oil and gas production, as well as the taxes on profits.

New Issues Flood Market as Investors Move to Sidelines

underwriters continue to force the paid to underwriters.

sucrs," said one Japanese banker, couraging mismatching. Interest is "who are unwilling to adapt to the fixed monthly at the higher of the changed circumstances and are un- one-month London interbank ofconcerned about the damage to fered rate or the average of the sixtheir name or the market."

fered 50 million Australian dollars the one-month Libor and the sixof seven-year notes bearing a coupon of 12% percent. The notes were

rovie dello Stato and PNC, a Penn-tressed. sylvania-based bank holding com-

(Continued from Page 7)

pany, were well received and was worth 3.2426 DM, up from week's scheduled issues for Spain, traded within the commissions 3.1725 a week earlier. On top of the Inter-American Development

Ferrovie offers bankers buying "These are less sophisticated is- the notes a hidden return by enmonth bid-offered rate. Thus, Bank of Tokyo, however, playing on domestic investors' appetite to diversify away from the dollar, of-

With the dollar last week setting priced at 101½ to yield 12.3 per-cent.

In the floating-rate market, the new issues for Bankers Trust. Fer-lar markets were looking dis-

By the end of the week, the dollar

that, domestic DM interest hard- Bank and a South African state ened by up to a quarter-point. As a result, international investors shunned the market, and the prices of recent issues tumbled.

Public Power Corp. 74s ended the week at 95 and the World Bank 74s were at 96.

at a 1%-point discount. The Euro- of 1% points.

borrower will only add to the market's woes. Paper denominated in European Currency Units also fell out of (a-

vor for the same reasons — sliding value against the dollar and rising interest rates for the component Prices on the new issues were currencies. Chrysler offered 60 milbeing supported by managers, but lion units of six-year notes bearing the paper was not moving. Que- a coupon of 10 percent, up 1/4 point bec's 200 million DM of 10-year from recent six-year ECU paper, ident and associate general counsel bonds, priced at 1004 bearing a but failed to attract support. The of Santa Fe International. He addcoupon of 7% percent, were quoted price was supported at a discount ed that the order affects about \$15

pean Investment Rank's 300 million DM of eight-year bonds, of-fered at par with a coupon of 7½ and unattractively low coupons on percent, were quoted at a 11/2-point recent issues, was shuttered. The recent issues were trading at dis-Frankfurt bankers feared this count of 5 to 6 percent.

This announcement appears as a matter of record only. Notes were offered and sold outside of the United States of America

share and at 261.15 yes per dollar



United Technologies Corporation

(Incorporated with limited liability in the State of Delaware, U.S.A.)

U.S. \$150,000,000

111/4% Notes due January 15, 1992

Goldman Sachs International Corp.

Salomon Brothers International Limited

Algemene Bank Nederland N.V. Banque Nationale de Paris Commerzbank Aktiengesellschaft Daiwa Europe Limited

Dresdner Bank Aktiengesellschaft Lloyds Bank International Limited

Morgan Guaranty Ltd

N.M. Rothschild & Sons Limited Swiss Bank Corporation International

Limited

Banque Bruxelles Lambert S.A.

Citicorp Capital Markets Group Crédit Lyonnais

Deutsche Bank Aktiengesellschaft Lehman Brothers International Morgan Grenfell & Co. Limited

Nomura International Limited

Société Générale

Union Bank of Switzerland (Securities) Limited

S.G. Warburg & Co. Ltd.

This announcement appears as a matter of record only.

The Notes were offered and sold outside of the United States of America.

Kellogg Company

U.S. \$100,000,000 10%% Notes due January 15, 1990

U.S. \$100,000,000 111/4% Notes due January 15, 1992

Goldman Sachs International Corp.

Deutsche Bank Aktiengesellschaft

Union Bank of Switzerland (Securities) Limited

Bank of Tokyo International Limited

Barclays Merchant Bank Limited

Credit Suisse First Boston Limited

Manufacturers Hanover Limited

Morgan Guaranty Ltd

Salomon Brothers International

Limited

Banque Nationale de Paris

Dresdner Bank Aktiengesellschaft

Citicorp International Bank Limited

Samuel Montagu & Co. Limited

Morgan Stanley International

Swiss Bank Corporation International

Julius Baer International Limited

Banca del Gottardo

Banca della Svizzera Italiana

Great Pacific Capital S.A.

Bank Gutzwiller, Kurz, Bungener (Overseas) Limited

Bank Leu International Ltd.

Lombard, Odier International S.A.

Darier & Cie.

Hentsch & Cie

Pictet International Ltd.

Swiss Volksbank

February, 1985

January, 1985

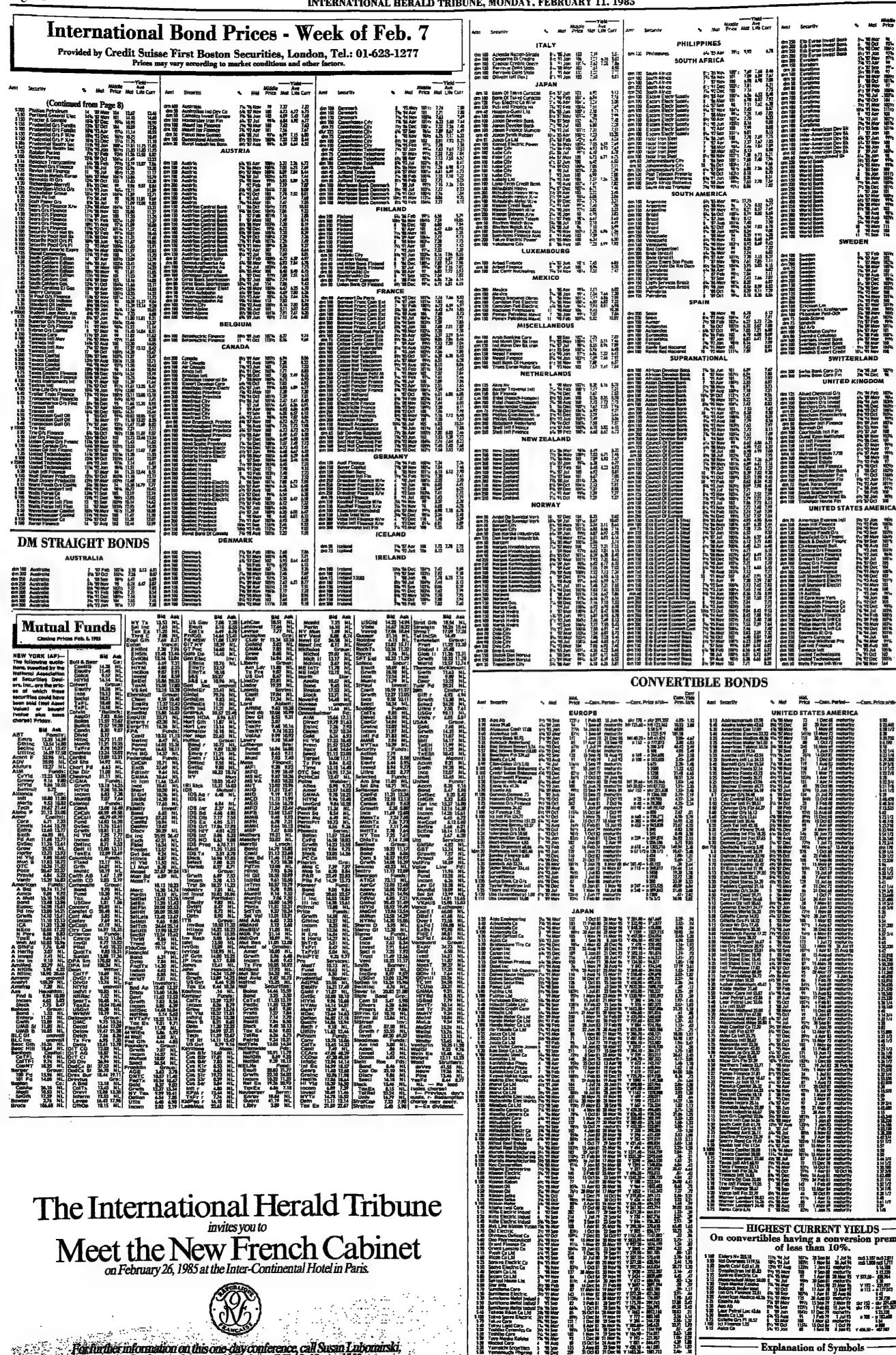
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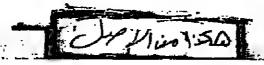


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1 Oct 99
8 See 91

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Explanation of Symbols



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The Daily Source for International Investors.



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Adversed to the state of the st

Railroad

New York Times Service

CHICAGO — A U.S. judge has ruled in favor of a \$57)-

million bid by the Minneapolis-based Soo Line Railroad Co.

for the bankrupt Chicago, Mil-wankee, St. Paul & Pacific Rail-road Co., known as the Milwan-

kee Road.



GM-Toyota Venture to Limit Distribution of Nova

Los Angeles Times Service CHICAGO — The Chevrolet Nova, the first car to be produced by the GM-Toyota joint venture in Fremont, California, will initially be sold only in the central United the East or West coasts until at factory. least early 1986, according to Chev-

rolet officials. Robert D. Burger, Chevrolet's duction was starting so slowly that dealers in time for the Nova's introduction June 13.

The joint venture, which began production in December, will build

Boesky Has Stake In Holiday Inns

New York Times Service NEW YORK — Ivan F. Boesky, the New York investor, and a group of companies he controls disclosed Friday that they had acquired an 8.6-percent stake, or 2,980,200 common shares, in Holiday Inns Inc., which they bought from

Jan. 8 through Jan. 31.
Holiday Jans, however, said that it had tendered from Mr. Boesky 2.25 million of those shares as part of a previously announced plan to repurchase 6.3 million of its common shares at \$49 a share. Mr. Boesky, who bought his stock for an average of \$47.30 a share, would have earned about \$3.8 million from the transaction.

Separately, Holiday Inns re-ported a 33.1-percent increase in net income in the fourth quarter, to \$20.5 million, or 59 cents a share, from \$15.4 million, or 42 cents a share, a year earlier. Revenues rose 9.3 percent, to \$429.5 million.

only about 41,000 cars in 1985, Mr. tion of the Sprint and Spectrum, said Mr. Burger. He said no final Burger said. The joint venture existence distribution of the Sprint and Spectrum, said Mr. Burger. He said no final decision had been made on the year when it reaches full produc-imports, under which Chevrolet tion. But Mr. Burger said Toyota, can import 17,000 sprints and which is managing the Fremont 27,500 Spectrums a year. plant, traditionally is slow to in-States and will not reach dealers on crease output when it opens a new

In the central United States, the region to which Chevrolet will limit initial sales of the front-wheel-drive general manager, said Friday at the Chicago Auto Show that Nova pro-sell its small Japanese imports, the sell its small Japanese imports, the Chevrolet Specurum and Sprint Chevrolet would not have enough models. The Spectrum, imported of the subcompacts to supply all its from Isuzu Motors Co., is sold only on the East Coast, while the smaller Sprint, built by Suzuki Motor Co., is sold on the West Coast.

GM has had to limit its distribu-

John Holysha of The New York Times also reported from Chicago:

The Nova will be priced considerably higher than the Sprint, which is Chevrolet's cheapest mod-el, GM officials said Friday.

This is not an entry-level car." priced at less than \$7,000.

pects to produce 250,000 cars a because of quotas on Japanese auto price, and that the key judgment was whether to position the Nova above or below the domestically produced Cavalier, which has a base sticker of \$6,606.

Chevrolet officials said they were prepared to import 100,000 cars a year each from Suzuki and Isuzu if the U.S.-Japanese quota agreement were lifted. But they said its complete removal was unlikely.

Separately, J. Michael Losh, go At about \$6,400 to \$7,000, the eral manager of Pontiac, said GM Nova will cost at least \$1,000 more than the Sprint, reflecting Chevrolet's intention to have the Nova

Nova will cost at least \$1,000 more than the Sprint, reflecting Chevrolet's intention to have the Nova

Nova will cost at least \$1,000 more than the Sprint, reflecting Chevrolet's intention to have the Nova

Daewoo to import about 80,000 compete directly with more expensive, more lavishly equipped cars the 1987 or 1988 model year. He said the cars were intended to be

Decline in Prices Is Partly Reversed

By Michael Quint New York Times Service NEW YORK - Treasury note and bond prices rose slightly Friday, reversing some of the decline that accompanied the Treasury's auctions — which totaled \$19 billion - during the past week. Although prices rose enough so

U. S. CREDIT MARKETS

that new Treasury issues closed at prices roughly equal to the average auction levels, investor demand was mixed. Some firms said investor activity was light. Others re-

By late Friday, the new 10% day's auction and a low tr percent notes due in 1988 were of about 99 1/16 early Friday. fered at 100, up from an average
price of about 99 30/32 at Tuesties by the Federal Reserve helped

U.S. Consumer Rates

Passbook Savings	5.50
Tax Exempt Bonds Bond Buver 28-Bond Index	9.52
Money Market Funds Donophue's 7-Day Average	8.10
Bank Money Market Accounts Bank Rafe Monitor Index	8.02

well above the morning's low trade of about 98 23/32.

ported modest demand for new 10-year and 30-year Treasury issues. Price of about 99 27/32 at Thurs- The b day's auction and a low trade of

day's auction and well above the raise prices shortly before noon. low of 99 21/32 set early in the Some analysts concluded that the morning. The 11¼-percent notes Fed's willingness to add reserves to due in 1995 were offered at 99¼, to the banking system when the over-

percent was a sign man the centum bank was not trying to encourage significantly higher short-term inlerest rates.

Fear of a tighter Fed policy may also be dispelled, traders said when the Fed announces benchmark revisions to money supply data and new seasonal adjustments for 1985. The net effect of the new data, which a Fed spokesman said were scheduled for release Thursday, might be a higher money sup-ply during the 1984 fourth quarter, thereby bringing the current level Union Carbide Plant close to the Fed's tentative 1985 The new 114-percent bonds due close to the Fed's tentative 1985 in 2015 were offered at 99% to yield growth target of 4 percent to 7

The basic money supply level is about \$2.5 billion above target. New seasonal adjustments could reduce the size of the increase ex-

comments by Preston Martin, vice chairman of the Federal Reserve, that inflation was likely to remain application to build a plant to mix yield 11.35 percent, up from about night rate for bank loans in the low even as the economy continued toxic gases just outside Edinburgh in Livingston New Town.

THE EUROPEAN COMMUNITY Court Backs U.S. Seeks Talks With EC on Steel Bid for U.S.

By Steven J. Dryden

nonal Heral! Tribune Community for consultations on exports of semifinished steel prodEC economy.
The 10 member nations now are ucts to the United States.

Community officials said they

were surprised and concerned by the U.S. request Friday, which came a month after the two sides settled their dispute over the level of EC steel pipe and tube exports to the United States. Exports of semifinished steel

Union address last week.

action to limit imports if the dis-

pute is not resolved by consulta-

tions. The United States asked that

the consultations begin Feb. 25.

Ministers Look at Plan

On Technical Standards

U.S. District Judge Thomas R. McMillen ruled Friday against a \$786-million bid by the Chicago & North Western Transportation Co., saying a products are not limited by U.S.-EC agreements. The 1982 takeover by the latter would steel agreement, however, gives the United States the right to ask for have hampered competition and led to abandonment of too much track because the railroad consultations if it believes in-creased exports of unregulated shares many markets with the steel products are being used to get around the accord's limits on fin-Milwaukee Road.

He said the difference beished steel goods. EC exports of semifunished steel tween the two offers represent-ed a "premium" for stockholdproducts to the United States have ers of the Chicago Milwaukee increased in the past several years, Corp., the Milwaukee Road's holding company. community officials said. The latest figures available show that about 500,000 tons were exported

A spokesman said Chicago & North Western would not ap-peal. But Daniel R. Murray, a to the United States during the first 10 months of 1984. An EC source attributed much lawyer representing the Mil-wankee Road's holding compaof the export increase to the growing value of the dollar. "We're a bit astonished" by the U. S. request for ny, said he would lile an appeal on behalf of the company and consultations, the source said, especially since President Ronald Reagan issued a call for expanded

Rejected in Scotland

pected to be announced Thursday. to build a plant near Edinburgh, Traders were also encouraged by local officials said Sunday. in Livingston New Town.

Community for consultations on market that would strengthen the

to negotiate standards for each individual product, a lengthy process that in the past sometimes has not been completed until after the product has become outmoded.

The new commission proposal suggests that the community adopt basic requirements on safety. health and environmental stan-dards. Further technical standards would be worked out by national authorities.

Products meeting the communi-ty standards would be allowed to circulate freely among the member States.

Lord Cockfield, commissioner for the internal market, wants the ministers to approve the approach of the proposal Monday, then give final approval at their next meeting, in May. The proposal is expected to provoke objections from member states seeking to protect national industries.

Business-Labor Meeting Called Useful Forum

The Jan. 31 meeting between the European Commission's president, Jacques Delors, and representatives of business and labor groups world trade in his State of the may produce further discussions on ways to combat Europe's economic Under the 1982 agreement, the problems. United States can take unilateral

Participants said the meeting produced a "positive" atmosphere, even though there was no overall agreement between the business and labor representatives on means of creating more jobs and encour-

aging business growth.
Union officials said that they On Monday, EC ministers were encouraged by the open na-ture of the discussions, and that to examine the new European there was agreement that further Commission proposal to ease the talks should be held.

approval of common technical The union and business groups standards for community products. are in agreement on such broad BRUSSELS - The United The proposal is seen as a key step goals as breaking down barriers to States has asked the European toward creating a true common trade within the community, but disagree on such issues as reduced working time, the extent of public investment to counter unemployment, and government regulation

> The daylong meeting was called by Mr. Delors as a way of demonstrating the community's desire to work with the two groups, both of which have been critical of the

commission's economic policies. Business groups were represented by the Industrial Association of the European Community. Labor groups were represented by the European Trade Union Confedera-

Continued Growth Seen In Industrial Investment

Community officials are encouraged by the results of a survey carried out late last year showing that industrial investment in member countries, which began a recovery in 1984, will continue to grow this

The survey forecasts that industrial investment will register a 9percent increase in real terms in 1985, compared to a 7-percent real increase last year.

Luxembourg to Launch A 16-Channel Satellite

LUXEMBOURG - Luxembourg will create a new multina-tional company next month to launch a European communications satellite in mid-1986, a government spokesman said Sunday.

A number of companies have agreed to take part in the project, which will beam as many as 16 channels over most of Europe.

Bonn Struggles With Jobless Rate

Germany's wage costs including so-called social costs were the highest in the European Community at

27.42 DM per hour. help only in the short run. He growing demand. warned that the tax relief could be seen as subsidization, which would troubling that many of these exeventually put a brake on the eco- porters are having windfall profits nomic recovery by making compa-nues less able to compete on their investment and hiring because of own. And he said that such a pro- uncertainty over the future trend of

Economists suggest that West unions assert that they were not chairman, Otto Voisard.

Economic surveys show that West German exporters were operating at 83-percent capacity in De-Mr. Gattenger, the economist, said the Social Democrats' proposition in September, and there is hope al to provide tax relief to compa-nies taking on new workers may new plant and workers to meet However, economists say it is

ployment of workers for up to one year with the option to fire may make employers more willing to take on new workers, Mr. Gat-tenger said. The substantial costs — and the legal complications — involved in firing workers in West Germany, as well as in other European Community countries, have encouraged employers to resort to overtime for the currently employed rather than hiring new

Nürnberg AG, a major manufaceconomy by eventually requiring mark. Another wage conflict could past two years was 237 million higher taxes.

mark. Another wage conflict could past two years was 237 million higher taxes.

DM. according to the company

(Continued from Page 7) German employers in the next year sharing in the export boom, the Bangemann, as well as various or two will resort to buying labor- economists say. economists think there is a need to saving technology to increase pro-

make West Germany's wage struc-ture more flexible. In 1983, West rather than hiring new, high-priced Germany's wage costs including West German labor.

French-Run Hypermarket a Hit in U.S.

(Confirmed from Page 7)

market. Its annual revenues are expected to exceed \$100 million. Indeed, Mr. LeFoll said Bigg's had done so well that Hyper Shoppes has decided to open three or four new Bigg's next year "in the South and in the West."

On Saturday mornings, when the store is busiest, checkout lines can be an hour long — despite the large number of checkout lanes.

"When I was here two weeks ago, the lines were so long I was a little irritated," said Margaret Stamper, who drove 16 miles (25.7 kilometers) to Bigg's from her home in Highland Heights, Kentucky. "But you can see why I come; it's

standing in front of two shopping carts overflowing with \$9 i worth of groceries. "I paid 89 cents for a box of Kellogg's Corn Flakes. It would be 75 cents more somewhere else." "It's a real advantage shopping here," said Jill Ackley as she shopped for a three-pronged elec-trical wall adapter in Bigg's hard-ware department. "Here I can buy

bread, lunchmeat and electrical

equipment all at the same place."

a lot cheaper," she continued, while

week iceberg lettuce was selling for 47 cents a head, a gallon (3.79 li-

Cincinnati-based Kroger Co., to price more aggressively.

Paul Bernish, a spokesman for Kroger, the second-largest U.S. food retailer, after Safeway, would not comment on Bigg's directly, but said, "We are and will be competitive with anyone in our mar-

One thing helping keep Bigg's prices low is its principal supplier. Super Valu Stores Inc., the largest U.S. grocery wholesaler. Super Valu owns 10 percent of Hyper Shoppes and was instrumental in designing the store and selecting a

By seeking to keep overhead square feet (2.787 to 4.645 square feet (b.787 to 4.645 sq

up the other 135,000 square feet. Retail analysts projected that the ters) of milk for \$1.49, and five grocery part of Bigg's would have freshly baked one-pound (453.6-sales of about \$14 a square foot a gram) loaves of bread for a total of week, compared with \$6.90 at the 99 cents. It was also selling RCA average supermarket across the 19-inch color televisions for \$245. United States. But analysts said the The dent Bigg's has made has general merchandise part is expeci-prompted competitors, such as the ed to have sales of only \$7 a square foot a week. That, analysts suggested, might prove a major obstacle to

Bigg's expansion.

They're so big that there is a limited number of markets that can absorb a store like them," said Michael W. Wright, chairman of Su-

store is hardly decorated, except

ket." Kroger accounts for half its hometown's grocery sales. Mr. LeFoll said he "would he disappointed" if his store's earnings do not exceed the I percent of gross that is the yardstick for supermarkets. He attributes the high earnings to high volume and a low, fixed overhead. For instance, the brightly lit

for a few murals in back that seek to prevent it from looking like a While most modern supermarkets run from 30,000 to 50,000

Recent steps by the Labor Min-istry allowing for the flexible em-

At Maschinenfabrik Augsburgturer of diesel engines, the cost of

Orchestrating effective Eurofinancings requires

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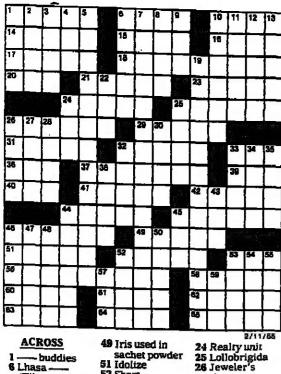
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The Global Newspaper.





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DIGGER THIS?

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Jumbles: COUGH FUROR MULISH APATHY

Answer: What the acrobat made a success of ~ A "FLOP"

Algierz Cairo Cape Town Capebienca Harare Lagos Mokrobi Tonis

Buenos Aires Lim Mexico Cily Rio de Janeiro

MONDAY'S FORECAST — CHANNEL: Very choopy, FRANKFURT: Foir. Temp. 30 -- 12 (14 - 10). LONDON; Snow. Temp. 3 -- 4 (26 - 25). MADRID; Overcost. Temp. 13 -- 5 (34 - 41). NEW YORK; Foir. Temp. 3 -- 7 (32 - 28). PARIS: Overcost. Temp. 3 -- 4 (27 - 25). FORME: Rainy, Temp. 14 -- 12 (57 - 54). TEL. AVIV: Foir. Temp. 20 -- 7 (48 -- 45). ZURICH: Caudy Temp. 4 -- 8 (27 - 18). SAMKOK: FOODY, Temp. 34 -- 25 (27 - 72). HOME KONG; Caudy. Temp. 18 -- 15 (44 -- 57). MANILA: Foir. Temp. 30 -- 22 (86 -- 72). SEOUL: Cloudy. Temp. 0 -- 10 (4 -- 32). SINGAPORE: Stormy. Temp. 30 -- 25 (86 -- 77). TOKYO: Cloudy. Temp. 15 -- 7 (59 -- 45).

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DENNIS THE MENACE

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59 Smidgen for O New York Times, edited by Eugene Malesha.

AND ANOTHER THING ABOUT GOOD MANNERS IS THAT

YOU ONLY NEED TO USE EM WHILE GROWN-UPS ARE AROUND."

JUMBLE THAT SCRAMBLED WORD GAME
by Henri Armold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

OINES

SOULY

SHUBAM

DUSHOL

EUROPE

MIDDLE EAST

OCEANIA

YOU CAN BE WALKING IT'S ALL VERY ALONG NOT THINKING STRANGE. OF ANYTHING IN PARTICULAR

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BLONDIE

TUDBURY'S

BEETLE BAILEY

THERE'S





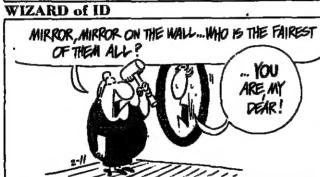
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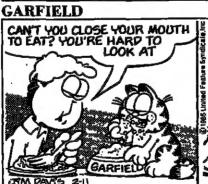


S. D.













BOOKS

EXODUS AND REVOLUTION

By Michael Walzer, 177 pp. \$15.95. Basic Books, 10 East 53d Street, New York, N. Y. 10022.

Reviewed by John Gross

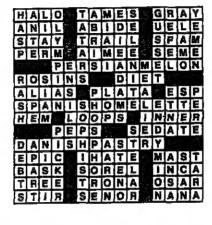
N 1960, Michael Walzer, who was visiting a number of Southern cities in order to write about black student sit-ins, went to a Baptist church in Montgomery, Alabama, and heard an impassioned sermon on the parallel be-tween the Book of Exodus and the political struggle of Southern blacks. It struck him all the more forcibly because back in graduate school he was then working on a dissertation about Cromwell and the Puritan Revolution, and he had encountered many Puritan sermons and speeches in which Israel's deliverance from Egypt figured as a central text. For the first time, the full political potential of the Exodus story was brought home to him, and he has been reflecting on its implications ever since.

Walzer is a distinguished political philosopher, and in turning to a biblical theme he has not abandoned his customary trade, "Exodus and Revolution" is fundamentally as much about politics as "Spheres of Justice" or any of his other books. It traces the lessons that have been discovered in Exodus by figures as diverse as Sayonarola and Rousseau, as the Boer nationalists who fought the British and the proponents of "liberation theology" in present-day Latin America. It shows how the same story came to be invoked by Benjamin Franklin (who in 1776 proposed that the Great Seal of the United States should depict Moses lifting his rod while the Egyptian army drowned in the sea) and Lincoln Steffens (who in 1926 wrote a full-scale apologia for Lenin called Moses in Red").

But for the most part, Walzer sticks fairly close to the biblical narrative. While his aim, as he says, is to read the text in the light of subsequent interpretations, "to discover its meaning in what it has meant," be also argues that the uses to which it has been put are not violations or mere inventions. The text itself demands to be understood in political terms; it is "a paradigm of revolutionary politics."

In the first place, Egypt as it is portrayed in the Book of Exodus is not just a scene of misfortune, but a society that is judged and condemned. It is a house of bondage, of oppression that is primarily social and economic in character. True, the Israelites are also threat-

Solution to Friday's Puzzle



ened with extirpation, since the pharaoh orders their newborn sons to be put to death, but the earliest discussions of the Exodus story, in Deuteronomy and the Prophets, establish the traditional emphasis, which has always been not on killing but on forced labor, harsh conditions and the abuse of power.

Once they have made their escape, the Israelites murmur against Moses and lament that they ever left Egypt. What their murmurings illustrate, Walzer argues, is something very like Stanley Elkins's much-debated thesis about the psychological effects of slavery in the American South. Servitude induces slavishness, and the Israelites found it impossible to adjust to freedom without a long period of transition; hence, essentially, the 40 years in the wilder-

Yet Egypt exerts positive attractions as well - the lure of idolatry and of the "fleshpots." While Moses is away on Mount Sinai, the Israelites fashion and worship the Golden Calf, and when he returns, he resorts to savage measures, commanding the Levites - the shock troops of the new order, the Red Guard
to put the idolaters to the sword. Walzer describes the slaughter as "the first revolutionary purge."

This is by no means the whole story, however. Moses is capable of kindness as well as anger; he works by teaching as well as terror. And the covenant that he enforces in his role of lawmaker is with the entire people, not with a priestly caste or an elite. It presupposes "the moral competence of ordinary men and wom-en," and it opens the way "for a different and a more democratic kind of politics."

It also offers a better life, in terms that anyone can understand — life in a land flowing with milk and honey. But the promised land is not to be confused with the Big Rock Candy Mountain; it will only fulfill its promise if its new inhabitants fulfill theirs, if they become "a singdom of priests" - a kingdom without a

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Service Property of the Proper

king — "and a holy nation."
Walzer's discussion of the twofold nature of the divine pledge is particularly searching, and goes well beyond a simple opposition between the material and the spiritual: "There is, if I may say so, an idealism, a spirituality, a high theory of milk and honey; and it is easy to see indeed, it is suggested in the text — that the Levites have a material interest in boliness."

Eventually, the Israelites crossed the Jordan but the realities of history fell pitifully short of the ideal they had cherished in the wilderness, and in time their disappointment gave rise to messianism. Messianic thought has its origins in the idea of a second Exodus, but it lacks "precise historical and geographical dimen-sions," Walzer writes, and "shines all the more brightly in mental space." By contrast, the original Exodus story continues to provide a framework within which oppression and liberation can be thought of in this-worldly terms. Here we are at the heart of Walzer's argu-

ment. His main purpose in "Exodus and Revo-lution" is to defend radical politics against the assumption that they are always messianic (with all the dangerous fanaticism which that implies), and at the same time to find a lofty spiritual warrant for a more down-to-earth approach in which there are no absolutes and the struggle has to be constantly renewed. Exodus, on this showing, is a sacred text for social democrats.

John Gross is on the staff of The New York

BRIDGE

By Alan Truscott

ON the diagramed deal South's jump rebid of three hearts was a slight overbid, but he was encouraged by

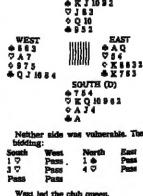
his partial fit in spades. South won the opening club lead, led a trump to the jack and drove out the ace. He ruffed the club return and took a spade finesse. He was prepared to fall back on a diamond finesse if the spade finesse lost to the queen, and as the cards lay this plan was due

But the spade finesse did not

lose. Instead of winning with the queen East produced the ace, creating the illusion that his partner held the queen. East then shifted to a diamond , and South naturally thought that he did not need a diamond finesse. He put up the are and repeated the spade finesse, ex-

pecting to make an overtrick. To his horror East produced the spade queen and the diamond king for down one.

In theory, South should have taken the diamond finesse to allow for the possibility that East had false-carded. But it is hard to blame him.



SPORTS BRIEFS

John Henry Named 1984 Horse of the Year

LOS ANGELES (AP) - Ten-year-old John Henry has received the Eclipse Award as U.S. thoroughbred racing's horse of the year for 1984. History's richest racehorse, who was named horse of the year in 1981, won over Slew o' Gold in voting by the Thoroughbred Racing Association, the National Turfwriters Association and Daily Racing Form. The award was announced Friday night.

As a 9-year-old in 1984, John Henry won six of nine starts, all of them stakes. He

won \$2,336,650, boosting his lifetime earnings to \$6,597,947. John Henry is the oldest-ever horse of the year; the next-oldest was another gelding, Kelso, who won his fifth straight honor in 1964, at the age of 7. Forego, another gelding, was 6 when he won in 1976.

John Henry, owned by Sam Rubin, also won his fourth Eclipse Award in five

years as grass champion. Slew o' Gold, who retired to stud after a four-year campaign, won an Eclipse as best older horse.

John Henry's career record includes 38 triumphs, 15 seconds and nine thirds in 83 starts. In 50 turf starts, he has 30 victories, 10 seconds and five thirds.

O'Meara Leads by 4 in Hawaiian Open Golf HONOLULU (UPI) - Mark O'Meara closed in on his second consecutive PGA

Tour victory Saturday by shooting a 7-under-par 65 to open a four-stroke lead over Larry Nelson and Jim Simons after three rounds of the Hawaiian Open.

O'Meara, who won the Bing Crosby National Pro-Am last week, took command Saturday with a three-day total of 18-under-par 198. Andy North, who started the round with O'Meara at 11-under 133, shot a one-over 73 and was at 10 under. North

Nelson and Simons, who started the third-round in a tie for third with Larry Mize and North, each had 4-under 68s. Mize and Ed Fiori are at 13 under with Buddy Gardner, who shot a third-round 65. Simpson and Craig Stadler are another shot

had shared the first-round lead with Scott Simpson, Dan Halldorson and Hall

Sale of NBA's Chicago Bulls Is Approved

CHICAGO (AP) - A group headed by Jerry Reinsdorf, co-owner of baseball's Chicago White Sox, has acquired the majority interest of the Chicago Bulls of the National Basketball Association for \$9.2 million. The purchase was unanimously approved Saturday by the league's board of

governors. The approval was necessary because of Reinsdort's ownership of the baseball team. Lester Crown, chairman of the board of the Bulls, said it was anticipated that the sale, for 56-percent interest in the team, would be closed by March 1.

U.S. Davis Cup Team Named to Meet Japan NEW YORK (AP) - Eliot Teltscher, Aaron Krickstein, Ken Flach and Robert Seguso have been named to the U.S. Davis Cup team, which will meet Japan at

Kvoto March 8-10 without John McEnroe and Jimmy Connors. McEnroe, the mainstay of the U.S. team in recent years, and Connors recently until late in spring training if he said they would not play in the first-round match against Japan, which the will be able to open the season at

Americans are expected to win. The meeting will be the first cup match between the United States and Japan since 1953. The United States has won all seven of the previous meetings. Japan has only one victory in singles, coming in 1929.

Baseball's Sick Call: Who'll Make It Back?

NEW YORK - With snow soon about to give way to sunshine in the world of baseball, teams are scrutinizing ailing arms and legs to determine whether the walking wounded of 1984 will be prepared to play in

The Milwaukee Brewers, for example, have four players returning from injuries and operations whose availability or absence will make an impact on the team's season. The players are Robin Yount, Paul Moitor, Rollie Fingr s and Pete Vuckovich, and among them they won the American League Most Valuable Player and Cy Young Awards in 1981 and '82,

The Detroit Tigers, the reigning champions, have two players, Milt Wilcox and Alan Trammell, who had off-season surgery. San Diego, the National League champion, lost Kevin McReynolds with a broken wrist in the pennant playoff. Bob Horner, Atlanta's slugging third baseman, broke his wrist for the second consecutive season and underwent surgery only two months ago. St. Louis recently acquired Jack Clark, who had knee

surgery last season. "Having these guys come back," saidMilwauker's general manager, Harry Dalton, of his injured players, "would be like making several major trades without giving up anything."

A status report on some of the more significant players who are coming back from injuries:
AMERICAN LEAGUE

Milwaukee: Yount (shoulder surgery) had a cortisone shot 10 days ago, then began throwing and said he felt stronger. Dalton says the Brewers probably won't know shortstop or play left field be the designated hitter or sit on the bench. Molitor (elbow surgery) has an 80-20 chance to open the season

at third base, Dalton says. Fingers Boston: Roger Clemens (back surgery) started throwing last (strained forearm) reports he is week but doesn't want to begin building up his arm until spring training. Vuckovich (shoulder and elbow) has pitched in only three ter," said Roland Hemond, the

gery) won't be able to pitch until te in the season.

Detroit: Wilcox (shoulder surbe able to pitch four weeks after late in the season. gery) has been doing light lifting that. and stretching, and the team doctor says he should be ready to throw when camp opens. But the Tigers aren't counting on him for the start

he reported to camp a year ago

feeling good and never made it out

and knee surgery) is throwing and running and the Tigers say, is ready to play. Achilles tendon) can't run until ing well and could return to July. Scott McGregor (broken fin- starting rotation. ger) is ready. Tippy Martinez (shoulder) has been throwing with no problem. Dan Ford (knee sur-

of the season. Trammell (shoulder

gery, broken wrist) is expected to be ready.



Robin Yount

Boston: Roger Clemens had surgery Dec. 18 for the second

Chicago: Carlton Fisk (pulled abdominal muscle) feels "a lot betgames the past two seasons, is en- White Sox' general manager. couraged about prospects of pitching this year, but the Brewers recall er he's fully recovered." Kansas City: Dennis Leonard

(four knee operations) has not of camp. Chuck Porter (elbow sur-pitched since May 1983 and will not be allowed to throw from a

California: Rick Burleson (torn rotator cuff, dislocated shoulder) has played 51 games the past three seasons, and the earliest he is expected to play this year is sometime in May, at which time he would play second base instead of shortstop. Ken Forsch (dislocated shoul-Baltimore: Mike Flanagan (torn der and slight tear) has been throw-

> Minnesota: John Castino (two back operations) has resigned himself to retirement after his second spinal fusion last week.

Oakland: Mike Norris (shoulder surgery) hasn't pitched since August 1983, but has been throwing well and thinks he'll be ready to pitch this season. Rick Langford (elbow surgery) has pitched in 10 games the past two seasons and is given less of a chance than Norris

rotator cuff) is not allowed to ered well enough. Cook says, that throw until close to opening day he should be ready to play the outbut has been taking batting prac-field if needed, which wasn't are tice and is expected to be the designated hitter.

NATIONAL LEAGUE

San Diego: McReynolds (broken wrist) has the splint off, is doing range-of-motion exercises and will be able to hit at the start of spring training if he continues progressing

Atlanta: Homer (broken wrist)

such injury in two seasons and won't know until March 4 if he can The state of the s go to spring training. Len Barker (elbow surgery) will throw from the start of camp and is expected to be ready at or soon after the start of the season. Ken Oberkfell (broken

thumb) is ready.

Los Angeles: Steve Howe (elbow surgery), delayed in his comeback from drug-induced suspension, should be able to throw early in spring training. Tom Niedenfuer (shoulder and elbow) has been throwing and feels good. Rick Honeycutt (shoulder surgery) has been throwing and expects no trou-

Houston: Dickie Thon still has fuzzy vision, the result of being hit by a pitch last April. He tried playing winter ball, then stopped and limited himself to working out with San Juan, "We're just going to wait and see how he develops in spring training," Andy MacPhail, assistant general manager, says. We're trying to create the best environment for him to get better." Bob Knepper (knee surgery) is expected to be ready to throw from the start of spring training.

Montreal: Andre Dawson (knees) has been tested mechanically and Murray Cook, general manager, says he "nearly lifted the machine off the floor. He'll always have an arthritic condition, but we to open the season on the A's staff. couldn't ask for any more." Terry Seattle: Gorman Thomas (torn Francona (knee surgery) has recovpected so soon. Fred Breining (shoulder surgery) has been throw; ing every other day and is well

ahead of schedule. Pittsburgh: Bill Madiock (elhaw surgery) began hitting recently and plans to begin throwing soon. He says he doesn't know how his arm will respond, but he's gearing himself to be ready by opening day.

DETOUT PL

SPORTS

Perrine Pelen: 'I was only missing the gold.'



Jonas Nilsson: 'Never again fourth.'

Coe 57, Cornell (lows) 55 Creighton 82, Indiana 57, 77 Dayton 68, Contains 52 Deflance 82, Ohio Wesleyon

DePaul 90, Pescerdine 45 E. Kentucky 41, Akron 55 IIL-Chicago 42, Valparaise IHinois 51, 67, Drake 46

Indiona 76, Northwestern 5 Konsos 75, Memphis St. 71

Knox 70, Hilinois Cel. 73 Levels, HL 127, Detroit 100 Manketo St. 31, N. Colored

Levels, III. 127, Derroit 100 Mankato St. 91. N. Colerado St Miami, Ohio 45. E. Michigan M Michigan 57. Illinois 45 Misseyri 72, Iawa St. 70 N. Dakota St. 84. S. Dakota 72

N. Dakola St. 84. 5. Dakola 72 Nebraske 64. Oktohoma St. 46 Ohio U. 66. Bowling Green 54 Oktohoma 81. Kensas 31. 75 Purdue 65. Michigan 54. 65 Syracuse 65. Natre Dame 62 Tulsa 87. Wilchibo St. 73 Wisconsin 72. Ohio 51. 73 Xevier, Ohio 72. 51. Louis 53 Yeungstown 51. 71. Morehead 51. 65 SOUTHWEST Angela 51. 81. Abilene Christian 65 Artomass 51. 69. Lomar 47

Ark.-Little Rock 65. Hardin-Simmons 6 Louisjans Tech 90. N. Teros 51. 72 Oral Roberts 83. Bradley 73 Stephen F. Austin 56. Nichalts 51. 57

Artzona St. 97, Statista 75
Cal Santa Barbara &S. Fullerton St. 69
Cal-Davis &L. Sacramento St. £2
Fresas St. 63, New-Los Vegas S2
Harwall &A. Cotarado State \$9
Humbolet St. 68, San Francisco St. 46

Humboldt St. 68. Son Francisco .
Hayward St. 72. Chica St. 61
Idoho St. 88. N. Artzana Sć
Lans Beach St. 72. San Jose St.
Montona St. 81, Idoho 41
Pacifiic Lufferan V7. Pacific 66
Oresen St. 83. Oresen S1
San Diego St. 79, Wyoming 70
Santile St. Simon Francer Sd.

Septile 56. Simon Fraser 54

S. Utoh 71. S. Coloredo a5 os A&I ET. E. New Mexico 68

NBA All-Stars

Maione, Phil. Paristi, Bast. Laimbeer, Dat

Erving, Phi. Cummings, Mil.

KINR. N.Y.

Southern Cal 44, Washington St. 56

Utch St. 80. New Mexico St. 79 Nashington 67, UCLA 63

Arkonsos St. 69, Lomar 67

Kenyon 66. Allegheny 64

France 1-2 in Women's Slalom; Nilsson Surprise Victor in Finale

here Saturday and crown a long ca-reer with her first-ever gold medal. On Sunday, Jonas Nilsson's dev-

astating second run upset favored Marc Girardelli of Luxembourg in the men's slalom, the final event of the competition.

Nilsson lay third after a first-leg time of 49.67 seconds, well behind leader Girardelli. But the Swede powered through the 66 gates of the second run in 49.49 for an aggregate 1:38.82 — beating Girardella by six one-hundredths of a second.

Girardelli had a relatively poor second run, and finished with a 1:38.88 total for the silver medal. Austrian Robert Zoller won the bronze in 1:39.35, with defending champion Ingemar Stenmark of Sweden fourth in 1:39.74,

Christelle Guignard, Peleu's teammate, took the women's silver medal, giving France its best-ever world championship result, while Paoletta Magoni won host nation Italy's first medal in these championships, the bronze.

"I was only missing the gold - I had silver and bronze already." said Pelen, runner-up or third four times at previous world championships or Olympic Games. "But I had never given up hope of winning a title," said the 24-year-old, who is in her ninth season on the World Cup circuit.

"It's great not to hear those Swiss cowbells clanging again," she said at the finish line.

Pelen lay second behind defending champion Hess after Saturday's first run. But the Swiss favorite fell eight seconds into the second leg. when she failed to make a turn. Disconsolate, Hess hunched down on her skis and cried, her chance gone of adding the slalom title to the combined-event gold she had won five days before.

Pelen had runs of 45.48 and 44.10 for an aggregate of 1:29.58. Guignard, ninth after the morning run, was fastest in the afternoon to clock 1:29.93, while Magoni finished five-hundredths of a second

Only 29 of the 56 starters com-

benefited from Erika Hess's fall to bichler, with Brightte Oertli of Swit- for a medal if I had a good day — win the women's slalom at the zerland fifth and Polish twins Dor- but I never thought it would be world Alpine ski championships ota and Malgorzata Tlaika sixth gold." and seventh.

by a Frenchwoman since Fabienne Serrat won the giant slalom at the 1974 world championships, was not necessarily the cue for her to

"I've got lots of time to think about that, I can decide at the end of the season," she said. "For now, I'm just happy to get the gold."

Guignard first burst into the limelight at the 1984 Olympics, when she led the slalom after the first leg only to fail to finish the second. Magoni, equally unknown then, came on to take the gold. Guignard had won two World Cup statoms this winter and is tied

for second with Pelen, behind Hess, in the cup slalom standings. But she was first to go in Saturday's morning run, and had to cut a track on a course lightly covered by fresh snow overnight.

"I had to really attack in the second leg," she said. "I'm happy because it's the result that counts, and I didn't have the luck at Saraie-

Magoni, under pressure from Italian fans and journalists to do well, had to go all-out in the second run after placing eighth in the first.
"I couldn't believe it when I saw
Quario and Hess fall," she said. "I knew that would give me a chance for a medal, so I went all out. I couldn't have gone better in the second leg, but I think I lost the silver when my goggles came down over my face and I lost time ripping them off."

Sunday's men's slalom was held on an icy course, which caused the downfall of many of the topranked skiers - including Pirmin Zurbriggen of Switzerland.

Zurbriggen, seeking his fourth medal at the championships, straddled a gate in the first run and was disqualified.

Only 38 of the 89 starters completed the first run, and despite slightly higher temperatures for the afternoon heat the series of falls and missed gates continued. Nilsson said his fourth-place fin-

pleted both runs on a soft course lish in the 1984 Olympic slalom made still mushier by light rain spurred him on. "I said to myself, (American Tamara McKinney and Italy's Maria Rosa Quario were was better to go out than finish Guignard: Finally some luck.

Compiled by Our Stuff From Dispatches among those to fall). Fourth place fourth again," said the tall, solidly BORMIO, Italy — Perrine Pelen went to Austrian Anni Kron- built Swede. "I knew I had a chance

Pelen said her victory, the first was Frenchwoman since Fabienne five-hundredths of a second. A slad lom specialist, he joined the World Cup's first-group elite this season, in his third year on the circuit. He has placed second twice in 1984-85 cup slaloms this season — once behind Girardelli and once behind Andreas Wenzel.

Stenmark, who has won four world championships, said he was not surprised to see Nilsson in the top three, but added. "I really didn't think he would get a gold His second heat was impressive." Stenmark won the slalom gold in the 1982 world championships in Schladming, Austria, the last time the event was held.

Girardelli, billed as almost a sure winner, accepted his second place uncomplainingly. "Of course I'm disappointed, but it's impossible to win all the time," said the World Cup points leader. "It was good competition and I'm happy with

For Zoller, the third-place bronze was an all-or-nothing affair "I wasn't nervous at all," said the 190-pound (86-kilogram) Austrian, who is among the biggest men in ski racing. "No one can say I was too fat to

do well."



All-Star Watch: Some NBA Criteria

By Anthony Cotton
Washington Post Service
INDIANAPOLIS — What

does it take to be an NBA all-

Doubtless it involves something a bit more complex than the method used by Bill Laimbeer. For the past two seasons, the Detroit Piston center has been a last-minute addition to the National Basketball Association game, substituting a year ago for an injured Moses Malone of Philadelphia.

Sunday at the Hoosier Dome here, Laimbeer was to replace Washington's Jeff Ruland, who has a sore shoulder, on the Eastern Conference roster. In the 35th year of the midseason game, the East was hoping to win for the sixth straight year.

It wasn't just dumb luck that put Laimbeer in a position to replace Malone and Ruland. Last season he had 13 points and five rebounds to help the East to a 154-145 overtime victory. Two years ago Laimbeer even came to the game through the front door. selected by the conference

It seems relatively easy for a coach to plug in a Laimbeer for a Ruland — or a Buck Williams (who wasn't here this time) or a Terry Cummings (who was). Yet being one of the finest players in the entire world isn't enough to make you one of the select who play in this game. What separates the elite from the rest in a 276-player league isn't some-

thing easily determined.
"There's a bit of luck involved," said Boston's Dennis Johnson. "You not only have to be with the right team but in the right position within that

group."
"It's a lot of little things," added Larry Nance of Phoenix. "Bunches of guys score the same amount of points, but a blocked shot or a slam dunk can make a coach remember you when it's time to pick the team."

Kareem Abdul-Jabbar of the Los Angeles Lakers and Bernard King of New York felt that the main consideration was being on a winning team, because of the recognition that comes from being in the spotlight. Although that may help to account for the inexplicable absence of forward Purvis Short of Golden State, it does little to justify the inclusion

liance has shown through the 18-33 Knicks. That King is on the roster despite his team's flaws strikes closer to the true makeup of an all-star. As Dallas guard Rolando

Blackman, making his first appearance in the game, put it, Reggie Jackson talked about being the straw that stirred the drink. All these guys are the mix masters."

"it's really not that different from the dynamics that go on among each individual team," King said, "Why is one guy start-ing and another the 12th man? He's generally more talented, more versatile and has more specific skills than the others on the

According to Laimbeer, the main attribute of an all-star is consistency. "There are guys who will score 30 points one night and two in the game after that; they're all-pros and then nonexistent. The guys here do it every night, night in and night out, and when they're expected

When that happens, your place as an all-star is almost assumed, no matter what the circumstances. King, for example, has missed 16 games this season. Ruland was selected during a stretch when he was absent for 12 of 13 games. What mattered in both cases was that when they were on the court there never was any question of what each would provide for his team. Ruland, in his fourth year in

the league, attained all-star status quickly. Players like Dominique Wilkins of Atlanta and Or-lando Woolridge of Chicago hope to attain that level soon. Both had merited playing in Sunday's game rather than just participating in Saturday afternoon's annual slam-dunk contest, but in the eyes of the NBA coaches and especially in those of the voting public, they haven't been good enough long enough to be a selection. Julius Erving of the 76ers and

George Gervin of San Antonio are automatic choices. Erving 35, is enjoying a fine season but

of such players as Norm Nixon of the Los Angeles Clippers or Adrian Dantley of Utah. Is increasingly being used as a role player by Coach Billy Cunningham, Gervin, 34, also is Or of King for that matter. Slowing down — to the point Averaging 30.9 points a game, the forward's individual bril-binge to bring his average comfortably over the 20-point mark muck that has characterized the and convince skeptics that his skills hadn't croded entirely.

Says Nance: "The fans will always have their favorites for whatever reasons. Dr. J could be having a sorry year 10 years from now and he'd still be starting."

Some would say so what? Per-

haps they're right, given what it took for an Erving or a Gervin to reach their present positions. Dave Wohl, an assistant with the Lakers, is of that persuasion. "It's not just talent," he said. "These guys have, over the course of season after season, displayed the mental tenacity and been able to maintain it. That places them above the other players in the league.
"It's almost a vicious cycle."

he said. "Once you show that you can do it attain and maintain excellence, it's always on your shoulders. You can't have an off night, coaches expect you to be great, fans expect you to be great, it never stops."



Dominique Wilkins Slam-dunker, but not an all-stat

SCOREBOARD

Basketball

Selected U.S. College Scores FRIDAY'S RESULTS Bates 91, Husson 75
Brown 78, Derimouth 65
Colby 91, Wesleyen 81
Cornell 48, Princeton 42
Deloware 51, 76, 5, Corolina 51, 70
Horvord 75, Yole 71
Hunter 40, CCNY 59
Kine's Point 78, Cotholic 60 EAST

King's Point 79, Catholic 59

100

La Salle 70, St. Peter's 57 Penn 71, Columbia 51 St. 69. Montcle 70. Bowdoin 61 ciair St. 56 SOUTH
N. Coroline A&T 70, Howard 65
N.C.-Greensboru 70, Chris. Newpor
Virginia Union 77, Virginia St. 59

MIDWEST
Debuque 73, Busno Visto 59
South Debote 59, North Debote 58
William Penn 95, Simpson 58
SOUTHWEST SOUTHWEST
SW Louisions 74, Pon American 6
FAR WEST
Air Force 71, Reals 52
Chico St. 79, Son Francisco St. 68
Montona 71, Islane 50
Montona 58, 48, Boise St. 65

Nevado-Reno 160, ido Partiana 59, Gonzago Nober 31, 87, N. Arizo

Weber St. 87, N. Arizona 75
SATURDAY'S RESULTS
EAST
American international 50, Stonehill 48
Ambrest 73, Brandels 69
Army 74, Iona 73
Brooklyn Cel. 90, Dominican, N.Y. 64
Suffalo St. 75, Buffelo 42
Const. Gungt 74, Ann. March. 42 Coast Guard 74, Anna Maria 62 Calby 76, Trinity 77 Calby 78. Trinity 77
Connecticut 84, Providence 76
C.W. Past 80. New York Tech 75
Delaware St. 67, N. Carolina A&T 66
Dickinson 48. Franklin & Marshall 46
Drew 83, Haverland 49
Drexel 64. Townson 51. 61
Fairleigh Dickinson 69, St. Francis, N.Y. 48
Forthom 45. Entificial 42 Fairleigh Dickinson 69, St. Farthom 65. Fairfield 62 non 84. Rhode Island 75 wn 78, Boston Col. 66 Harverd 82. Brown 76 Hoistra 91, Bucknell 71
Kine's Point & L. Hortwick, 61, C.
Lafavette & L. Lehlah 59, O'T
Alarmation 97, Holy Crass 88
Marist 72, Lone island U, & A
Aarshall 75, Ciradel 65
Massachusetts 79, Penn St. 78
Niagara 83, Majhe 72
Northerstern 74, Rosthe U, 44 stern 74. Boston U. 42 Penn 48. Cornell 74. Boston U. & Penn 48. Cornell 67 Princeton 53. Columbia 58 Rhode Island Col. 82. Bebsor Rochester 70. Elmiro 63

St. Francis, Pa. 81, Robert Marris 77 St. Joseph's 61, Dugue Swarthmare 93, Stevens Tech 7: Temple 53, St. Bonoventure 52 Union 58, Norwich 58 Vermoni 72, Montpouth, N.J. 69 Wash. & Joff. 81, Thiel 61 Weslevon 24, Bowdoin 5 West Virginio 73, Ruiges SOUTH Ala.-Birminghom 77, W. Kentucky 62

Auburn 75, Tennessee 60 Clemson 98, South Coreling 81 Delta St. 64, Tenri-Martin 63 Furmen 69, W. Careline 64 George Moson 54, Richn Georgia 79, Mississippi St. 74 Houston Baptisi 89, Centenary 51 Jockson St. 78, Texas Southern 75 James Madison 65, Novy 62 Kentucky 67, Mississippi 52 N. Carolina St. 82. Sa. At. Nortolk St. 62. Virginio St. 61 Old Dominion 67. Jacksonville 65 SE Louisiana 70. Sam Houston St. 48 Tennessee Tech SJ, Murray St, 51, 20T Tn.-Chattanesse III. Davidson SJ Tulane SJ, New Orleans 49, OT Va. Caramanusudih St. South Alabam Virsinia 74. Loutsville 65 Virsinia Tech 25. Cinclinatil 69 VAII 64. Association St. 56 William & Mary 88. East Caratina 71 Boll St. 66, Totale 56
Butter 71, Evenaville 69
Case Western 75, Denison 69
Chicago 85, Ripon 79

Figure Skating

EUPOPEAN CHAMPIONSHIPS MEN

Fernand Fedronic, France, 14.4. . Richard Zander, West Germa Lars Akesson, Sweden, 15.0. Petr Barnan, Czechoslovakia

1. Petro Born and Rainer Schonborn, West 4. Karen Barber and Nicky Sloter, Britain.

iria, 12a. ella Michell and Roberto Pelizzola. Hofy, 134,

9. King Engi and Attils Toth, He

Transition

BASEBALL American Langua BOSTON—Agreed to terms with Rich Ged-

BOS ION—spread to learns with Rich Geo-man, Colifer.

CALIFORNIA—Reached on agreement with Darvi Sconlers, first baseman, on a ane-veer contract. Signed Curt Kaufman, pitcher. CLEVELAND—Signed George Vukovich, autileider, and Joy Baller, pitcher, to one-year

Cuncilies Football League CALGARY—Released Tommy Scott, wide

united States Featball Langua ARIZONA—Signed Junior Ah You delen-sive end, to a heaven contract. Wolved Vance Bedlard, detensive back, Rabble AcClerdon, wide receiver, and Darrell Smith,

Centers G Fg Ft Pts Avg 49 395 448 1738 25.3 50 352 163 567 17.2 49 347 165 662 17.6 Forwards 35 420 251 1091 31.2 50 558 221 1345 27.3 49 394 224 1014 20.7 50 489 229 1207 24.1 49 497 347 1345 TJA

Jordon, Chi. Moncrief, Mil. 45 349 295 1026 22.8 49 402 264 1085 22.1 49 341 152 839 17.1 Thomas, Del. 50 403 138 960 19.2 (Head Coach: K.C. Jones, Boston, Assistant Conches: Jim Rodgers, Chris Ford, Baston) Centers
G FG FT Pts Avg.
51 476 192 1144 22.4
49 484 294 1012 29.7
51 365 268 999 19.6

oring statistics through Feb. 7 for players

EAST

Forwards 39 363 317 1943 27.4 Dontley, Utah Engilah, Den. 51 576 247 1400 27.5 49 427 273 1127 23.0 49 427 125 990 20.2 49 449 160 1058 21.4 Natt, Den. Nance, Phoe. 430 233 1093 21,9 361 191 917 18.7 50 430 233 1093 21.9 49 361 191 917 18.7 48 319 218 860 17.9 Gervin, S.A. Biockman, Dal. 80 374 94 RSS 17.4 (Head Coach: Pot Rit

red piacement.

2 Vlodimir Kalin. Soviet Union, 4.2.

3 Grzegorz Filipovski, Poland. 7.6.

4 Helko Fischer, West Germany, 9.8.

5 Follos Kirston, East Germany, 12.4.

4 Viktor Patrenka, Soviet Union, 14.0.

ICE DANCE I. Notalia Bestemianova and Andrei Bu-kin, Soviet Union, 20. Z. Marino Klimova and Sergei Ponomar-

viel Union, 166, 6. Kothrin Beck and Christoff Back, Aus-

Stephen F. Austin 56, Nicholfs 51, 52
Texos Christian 72, Arkansos 64, OT
Texos Arlington 75, NE Louistan 74
Texos-El Pasa 97, Brigham Young 84, 301
W. Texas 51, 64, 5, Illinois 57
FAR WEST
Artzona 64, California 48
Artzona 54, 91, Stanford 75
FS Sanda Rephana 85, Fullenton 54, 69

Contracts,
KANSAS CITY—Peached contract agreements with Joe Beckwith and Charite Lebbrandi, pitchers.

Notional League
PITTSBURGH—Announced that Roy
Krawczyk and Jeff Zaske, pitchers, have FOOTBALL

National Football League ST. LOUIS—Named Jerry Smith special

running back. DENVER—Cut Mike Call defensive lockle HOCKEY

DETROIT—Recalled Larry Trader, detensermen, from Adirendeck of the American

National Hockey League Standings Hockey League, Hackey League, HARTFORD—Loaned Richie Dunn, de-tensement, and Pat Boutette, left wing, to Bing-tensement, and the Boutette, left wing, to Bing-tensement, and the Boutette, left wing, to Bing-tensement, and the Boutette, and the homiton of the American Hockey League. N.Y. RANGERS—Sent Randy Heath, left wing, to New Haven of the American Hockey WINNIPEG-Signed Brian Mullen, left

COLLEGE AUBURN—Announced that Sonny Smith, bosketball coach, will resign at the end of the CHEYNEY-Named Mike Costa football HOFSTRA-Named Lynn Kotler field hockey and women's lacrosse coach and Susat Wherym women's satiball coach Wherym women's softball coact, IOWA—Announced that Jonathon Hayes, light end, will pass up his final year of eligibil-ity to become atlatate for the NFL draft, IOWA WESLEYAH—Announced the restorate and Date.

Nelson, athletic director, to join the fool slaft of Kentucky State University. LA ROCHE—Announced the resignation of John Pasquinetti, basketball cooch; named Ed Stastsky to replace him. AICHIGAN TECH—Amnounced the resignation MICHIGAN TECH—Amnounced the resignation. nation at Jim Notingang, hockey coach, effec-PROVIDENCE-Announced that Joe Mullaney, basketball coach, will relire from coaching at the end of the season but will retain his position as associate athletic direc-

LS. Andreo Bedard, Canada, 47.47-45.45-

48.12-45.89-1-24.01

8. Florion Beck, West Germany, 50.72-50.91--1:41.63 MEDA S TABLE

Hockey

SATURDAY'S RESULTS

Men's titlist Josef Sabovcik.

To the same of

World Alpine Championships

WOMEN'S SLALOM (Al Bormio, Holy) 1. Perrine Pelen, France, 45.48-44.10— 2. Christelle Guignard, France, 46.16-

5. Brigitte Oerill, Switzerland, 45.76-44.45-6. Derota Tielke, Poland, 45.87-44.56-7. Malgoriata Tlaika, Poland, 45.61-44.93-

8. Corinne Schmidhauser, Switzerland, 46.83-43.96—1:30.72 9. Brightte Godient, Switzerland, 46.31-46.48—1:30.79 IR. Eva Twardokens, U.S., 46.33-45.02-11. Olgo Charvatova, Czechoslovakia, 44.39-

12. Sytvio Eder, Austrio, 46.80-45.56—1;32.34 cir, Czech 13. Andreio Leskovsek, Yugoslovis, 47.59 (11, Czech 45.86—1;32.87

ME U.S. 48.47-45.53-1:34.00

18. Alexandra Marcosova, Czechoslovakia, 48.26-48,12-4539—1;34.51
19. Ivan Volesova, Czechoslovakia, 48.26-46,24—1;34.51
20. Karen Percy, Conada, 48.29-46,74—1;35.03
MSNS SLALOM (At Bormiol 1, Jones Nilsson, Sweden, 49.33-49.49-1;38.82
2. Marc Girordelli, Luxembours, 49.01-20, 3. Robert Zoller, Austria, 49.01-20, 5. Bolan Krizal, Yugoslavia, 49.34-49.80-3, 4. Ingermar Stenmark, Sweden, 49.34-49.80-3, 5. Bolan Krizal, Yugoslavia, 49.30-52.77-3. Bolan Krizal, Yugoslavia, 49.30-52.77-3. Bolan Krizal, Yugoslavia, 49.30-52.77-3. Bolan Krizal, Yugoslavia, 49.30-50.67-3. Tarik Benhabiles, France, def. Marko Grandrasson, Sweden, 49.34-49.80-3. Anders Jenston Germany, 50.77-3. Bolan Krizal, Yugoslavia, 49.30-50.67-3. Tarik Germany, 50.75-3. Advisor Grandrasson, Sweden, 49.34-49.80-3. Anders Jenston Grandrasson, Sweden,

WALES CONFERENCE

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25 23 7 57 206 d 17 29 6 40 176 CAMPBELL CONFERENCE

Carpenter 2 (41), Gustatsson 2 (5). Murphy (10), Christian (20); Taylor (31). Skets on

gaat: Los Angeles (on Riggin) 4-14-9--27; Washington (on Janecyk) 16-7-9-32.

9. Ivone Edelink litely, \$1,03-51,39—1:42,33 10. Alex Glorel, Italy, \$1,13-51,72—1:42,84 11, Martin Hangi, Switzerland, 51.90-51.29-

Torius Berge, Nerway, 52,39-51,81— 18. Miroslav Kalar, Czechoslovakia, 54,88-55,17—1:50,65

43.46 13. Gunnor Neuriesser, Sweden, \$1.22-\$2.46— 19. J 1:52.71 14. Hiroaki Ohtaka, Japan, 52.89-52.50-

Skiing

Tennis

dusek (11) def. Terry Holladay, 6-6, 6-1; Larks-sa Sovchenko, Soviet Unian, def. Kate Gam-

International Players Championships 8. 4-3; Hana Mandilkava (?), Czechoslovakia, deł. Kathleen Cummings, 6-2, 6-3; Kim Shorier dei, Manuela Mateeva (4), Bulgaria, 6-4, 2-6, 6-4; Gabrielo Sobatini, Argentina, 6-1, Annabel Croft, Britain, 6-1, 6-3; Stephanis Reha deł. Sabrina Goles, Yugoslavia, 6-2, 6-1; Catarina Lindavisi (15), Sweden, def. Tine Scheur-Larsen, Denmark, 6-2, 6-1; Bonnie Golent, 11, 13-4, 7-7-7-8.

5), 3-6.7-5; Scott Davis def. Paul Annacone, 7-5. 6-4; Ivan Lend! (1), Czechoslovakla. def. Vlcfor Pecci, Paraguay, 6-2, 6-4; Marc Flur de Jookim Nystrom (8), Sweden, 1-6, 6-1, 6-4; Sielan Edberg (13), Sweden, del, Hank Pfis-Per, 6-3, 6-4; Yonnick Noch (9). Fronce. def. Tom Gullikson, 7-5, 6-1; Jon Gurnorsson, Swe-den, def., Janothen Conter, 7-6, 7-6, 4-7; Brad Dyke, Australia, def. Tim Wilkison, 7-5, 7-5.

(on Hayword) 13-10-6-2—31; Winnipeg (on St. Lauis

14. Fredrik Zimmer, Norwey, 54,84-52,99-

asking for a breather.

"Maybe we ought to just give [backup goalie] Doug Keans a shot 20. Steven Lee, Austrolia, 57.86-56.46— 1:54.32 and let me sit out a few games," the

NHL FOCUS

Boston Bruin goalie said after Chi-cago rallied for a 6-5 victory in a National Hockey League game. Peeters has given up 11 goals in the past two games. "Early on I seemed to be playing

pretty well, but the puck just wouldn't hit me, it was going be-hind me or between me," Peeters said. "I feel very frustrated now." Elsewhere it was New Jersey 2, Quebec 2; the New York Islanders 4. Pittsburgh 1; Edmonton 6, Detroit 5; Philadelphia 5, Washington 4; the New York Rangers 2, Hartford 2; Buffalo 6, Calgary 1; Toronto 6, Montreal 2, and St. Louis 4, Minnesota 2. On Friday it was Washington 6, Los Angeles 1; Ed-monton 5, Minnesota 3, and Van-

couver 5, Winnipeg 5. Chicago had just seven shots in the third period and needed only 18 seconds to pull into a 4-4 tie on Troy Murray's goal. Murray scored again 2:07 later but Rick Middleton moved the Bruins into a 5-5 tie at 12:28. Bob Murray scored the winner on a power play with 6:18 left, taking a centering pass from Doug Wilson and scoring from

close range.
"They had us on the ropes, but we showed a lot of courage out there," said Bob Pulford, who is 2-0 since replacing Orval Tessier as the Black Hawk coach. Murray Bannerman replaced Warren Skoro-denski in goal for Chicago at the start of the second period and

made 24 saves. Boston raced to a 3-0 first-period lead on goals by Butch Goring, Ken Linseman and Ray Bourque Goring and Linseman scored 24 seconds apart early in the period before Bourque connected on a power-play at 5:29 when his slapshot from the right point cluded Skorodenski.

Steve Larmer cut the lead to 3-1 at 7:21 of the period with a powerplay goal. But Tom Fergus provided Boston with a 4-1 advantage at 12:05 when he took a pass from Goring and scored on a 25-foot

Chicago cut its deficit to 4-3 late in the period on goals by Curt Fraser and Ed Olczyk. Fraser scored on a power play at 16:46 and Olczyk took a pass from Wilson and beat Peeters on a breakaway.

After a scoreless second period, Denis Savard intercepted a clearing pass by Peeters and fed Troy Murray, who scored into an open net 18 seconds into the third period to make it 4-4. Troy Murray then picked up a loose puck in the slot and sent a backhander past Peeters at 2:25 to give Chicago its first lead of the game.

(At Deiray Beach, Florida)

(At Delray Secci., Florida)

MEN'S SINGLES
Second Round

Anders Jarryd (41, Sweden, del, Tim Guillikson, 6-1, 6-3; Poul Annocone del, Allioslav Medr, Caechaslovakia, 6-2, 7-6 (7-3); ivan Lendi cir, Caechaslovakia, 6-2, 7-4 (7-3); ivan Lendi (1), Czechaslovakia, def. John Sadri, 7-6 (7-5), 6-0; Jaakim Nystrom (8), Swaden, def. Ernie Fernandez, Puerto Rica, 6-3, 7-5; Tom Gulik-ton def. Jara Navratii, Caechaslovakia, 6-1, 6-2, Marc Flur def. Robert Van'i Haf. 5-7, 6-4, 7-5; Tim Wilkison def. Dan Casslay, 4-4, 6-2, 7-6 (7-6). Temas Smild (1)1, Czechaslovakia, def. Idalias Wilkesbora, 6-1, 4-6; Sammy Glazzso Souchenke, Soviet Union, def. Kate Gam-peri, defauli. Beth Herr def. Emilise Roponi-Longo, Areentina. \$-1, 4-6, 7-6 (7-0); Steffi Graf, West Germany, def. Virginia Wate, Britain, 6-2. \$-2: Susan Moscarin def. Carina Kartsson. Sweden. 7-6 (8-6), \$-2. Bioine Wilerborg, 4-3, 6-4; Sammy Glam-malvo del, Jiramy Brown, 7-6 (7-1), 7-6 (8-6). Stefan Edberg (13), Sweden, del, Wollek Fibols, Poland, 6-2, 6-0) Younick Noah (9). Corrine Kortsson. Sweden, 74 (8-6), 6-7.

Taind Round

Corline Bassett (10). Conodo, det. Stephanie
Rebs. 6-2, 6-3; Catarino Lindovisi (15). Sweden, 64. Sero Gomer, Britain, 6-4, 6-1; Betline
Burses, West Germann, det. Larissa Sovichenko, USSR, 6-4, 6-3; Martina Novratilova
(1) det. Cotherine Suira, Francz, 6-1, 6-2; Hono
Mandilluva (7), Czechoslovekio, 6-6; Mellessa
Gurnev, 6-1, 3-4, 6-3; Marry Jo Fernandez det.
Bonnie Godusek (11), 7-6 (7-5), 7-6 (7-7); Gobriela Schalini, Arpentina, det. Kim Sharier,
6-3, 6-1; Kathy Jordon (9) det. Peanut Louis, 3-6, 6-1, 6-4; Lillian Drescher, Switzerland, det.
Virginia: Ruzelci, Romania, 6-2, 6-4. Wendy
Turnbuil (3), Australia, def. Beth Herr, 6-4, 62; Berbara Potter (12) def. Lari McNell, 6-4, 6-2; Steffi Graf, Wast Germany, det. Cattarina
Tanvier, Franca, 6-1, 7-5; Pam Cosole def.
Susan Mascarin, 6-0, 6-7 (6-8), 6-1; Chris Evert
Lloyd (2) def. Alycla Maultan, 6-1, 6-2; Kathy
Rinoldf, def. Zing Gorrison (8), 7-5, 6-1.

Foorth Reund

WOMEN'S SINGLES Second Round riling Novratilova (1) def. Robin

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Author (19) Per Per (19) Pe Chicago 3 8 3-4 Alineaesto (an I Bestuo 4 8 1-5 Lormer (33), Fraser (19), Diczyk (13), T. M.Y. Rassers

Levie (5), Petiersson 2 (16), Poslawski (16); Selhelm (8), Velischek (3), Shots on goal; Alinneesto (an Liut) 10-7-16—33; St. Louis (on

European Soccer MORLD CUP QUALIFYING Enropedia Group Two Maita 1, Portugal 3 Poists Stoedings: Portugal 6; Sweden 4, West Germany 4; Czechoslovakia 2; Maita 0, Next Matches: Feb. 24, Portugal vs. West

Germany : March 27. West Germany vs. Mai-la : April 20, Malta vs. Czechoslovakla : Moy 1, writin vs. West Germany ENGLISH FIRST DIVISION sile United 1, Manchester United 1 shom Forest 2 Queens Park Rongers (Points Standings: Everton 52; Totte &: Monchester 45; Arsenal 42, Southo Chelsea 37; Norwich 36; West Brom 35; Asion Villa 34; West Ham 22; Queens Park Rangers

Fourth Round

11: Letcester, Newcostie 30: Watford, Sunder-land 29: Coventry 25; Ipswich, Luton 22; Stake WEST GERMAN FIRST DIVISION West GERMAN FIRST DIVISION
Warder Bremen 4. Bovern Munich 1
SC Kortsruhe 2. Forlung Duesseldorf 2
Eintracht Brunswick 3. VFB Stuffgert 1
Peiets Staddings: Boyern Munich 26;
Warder Bremen 25; FC Cologne 24; Bover
Uerdingen 23; Borussia Moenchengladbach,
SVH Banburg 21; VFL Backum 20; SV Watchool
Manghelm, VFB, Suttoput 19; Furtanget im. VFB Sluttgart 19; Eintract Frankfurt 18: FC Scholke, FC Kniss Fortune Duesseldorf 17; Bover Leverkusen 14; SC Korlsruhe 13; Elmirochi Brunsmick 12; Borussia Dortmund, Arminia Bielefeld 11, ITALIAN FIRST DIVISION

Burisle 2 2 2—4 (an moos) 15-15-7-39. Verand 5, Udinese 3
Calgary 6 9 1—1
Cyr 2 (16), Ramsey (6), Perrequit 3 (21); M.Y. (slanders 2 1 1—4
Moctanis (12), Shots on goad: Buffold (an Limelin, Edwards) 9-11-9-29: Calgory (an Barrassol 9-7-12-28.

Verand 5, Udinese 3
Points Standings: Verand 27; Inter 26; Torline, Rema 27; Juyentus 27; Samsdorla, Allian
Bossy 2 (45), Trattler 2 (25); McCarthy (5). 21; Fiorentine 19; Nopoli, Arajanta 17; Come
Shots on goad: Pirtsburgh (an Hurdey) 12-8
4—29; N.Y. (slanders (an Hurdey) 12-8
4—29; N.Y. (slanders (an Herran) 13-14-8—35. Cremonese 7.

Hawks Beat Bruins, 6-5 15. Find Christian Jogge, Norway, 51.87-53.16—1:47.63

BOSTON — The Chicago Black

Hawks' three-goal third period Sat-urday left Pete Peeters shocked and

LANGUAGE

Ruling on Vigilante-ism

By William Safire or a compliment? Is the philosophy mob was ever guilty of." of the vigilante called vigilantism or Thus, the word comes into modvigilante-ism?

issue raised in the New York sub. none) and bad (taking the law into way shooting of four teen-agers by your own hands). When used today Bernhard H. Goetz, who felt men- in a historical sense, the word looks aced when accosted by them. His back at the frontier's rough justice, act was hailed by many people who rather than at the South's repres-feel threatened by hoodlums and sion of blacks, and is usually a was denounced by many who ad compliment. But when applied to here to the rule of law even when it modern-day activities, the word falls short. Goetz was indicted by a of a gun; only the linguistic case will be considered in this space.

Vigilante is a normal possession that grows out of it—is usually used to suggest that outdated and unnecessary methods are being em-

Vigilante is a noun in English ployed and is pejorative. that comes from the Spanish noun for watchman, the Spanish adjec-tive vigilante means "watchful, wide-awake," same as the English adjective vigitant. The origin of the English noun is in the Vigilance Committees organized in the South in the 1820s and 30s to intimidate blacks and abolitionists. "The slave States," said the abolition leader William Lloyd Garrison in 1835. "have organized Vigilance Com-mittees and Lynch Clubs." The assumption of control of law by citizens not empowered by law was applied more generally as well: The prevalence of crime in San Francisco," wrote The Whig Almanac in 1851, "led to the formation of a voluntary association . . . called the Vigilance Committee."

At first, these committees their members were called vigilantes, starting just after the Civil War

were considered praiseworthy.

mt pay on that as second management tes, starting just after the Civil War

address: "My friends, we live in a

world that's lit by lightning." were considered praiseworthy.
 Abolitionists called some of their own Underground Railroad organizations by that name, refusing to formed to support Lincoln were called "Wide-Awakes." After the ward, "vigilance committee" was charge when the lawmen failed.

But from the start, another meaning grew. "We hate what are called vigilant men; they are a set of suspicious, mean spirited mor-tals, that dislike fun," wrote The Missouri Intelligencer in 1821. Abolitionists equated vigilance with lynching: "As gross a violation of

By William Safire justice," wrote Horace Greeley's WASHINGTON — Is calling New York Tribune in 1858, "as someone a vigilance an insult vigilance committee or lynching

ern times with competing senses: These questions are posed by the good (providing law where there is vigilante - and especially the -ism

> On National Public Radio, most newscasters say vigilantism, though I've heard several say vigilante-ism; NBC and CBS agree on vigilantism. Which is correct?

I prefer vigilante-ism, pronouncing the final e in vigilante. This -ism does not refer merely to "being vigilant"; it has to do with "being a vigilante." Because the -ism flows from the noun vigilante rather than the adjective vigilant, we should logically say vigilante-ism.
You think it looks awkward with

the hyphen and is hard to say? If you prefer vigilantism, then maybe you would like McCarthism. Of course not; it's McCarthyism and vigilante-ism.

HOSE who search for literary allusions in presidential speeches hit pay dirt in his second inaugural

Henry Hanson of Chicago magazine promptly turned to his copy of Tennessee Williams's 1944 play concede the word to their oppo- "The Glass Menagerie" and the nents: the Republican clubs memorable "I didn't go to the moon" curtain speech, in which Tom tells his crippled sister, Laura, war, as the nation expanded west- who believes in the magic of candlelight on little glass animals, that the name given to the citizenry that he has been searching for "anycombined to combat lawlessness thing that can blow your candles before the law arrived, or that took out! . . . for nowadays the world

is lit by lightning."
Did the president, or any of his writers, know of this allusion? Did he mean, as Williams's character did, to contrast gentle candlelight with fierce lightning? That is for the orator to know and for us to

New York Times Service

Derek Jacobi on Acting: 'Extraordinary Things Happen'

By Michiko Kakutani New York Times Service

S ELF-EFFACING to the point of disappearance, Derek Jacobi likes to minimize the difficulty of performing two plays, two utterly contrary roles, in the space of a single day. "It's a knack you acquire, doing repertory theater," he says simply.

Having recently completed a dazzling three-and-

a-half-month run on Broadway, Jacobi and the Royal Shakespeare Company are now in the midst of a month-long engagement at the Kennedy Center in Washington.

There, as in New York, matinee days can be pretty daunting: at 5:30 in the afternoon, Jacobi walks off the stage as Cyrano de Bergerac, Edmond Rostand's swaggering, swashbuckling hero. Two hours later, showered and recostumed — Cyrano's huge, latex nose discreetly removed — he returns to the stage, reincarnated as Benedick, Shakespeare's reluctant lover in "Much Ado About Nothing."

Certainly the two productions could not offer a

starker contrast; Shakespeare's sparkly, screwball comedy treats wit and wordplay as defensive weap-ons, obstacles to heartfelt passion; while Rostand's tragedy equates love with style, with the eloquent manipulation of words. The heroes of the two plays, too, are consummate alter-egos; Benedick, the tart-tongued skeptic, who proclaims himself a bachelor for life; and Cyrano, the purple-tongued romantic,

who will risk his life for his sweetheart or a cause. For Jacobi, these roles demand two very different techniques: the emotionally-reticent Benedick calls for a "personality performance, where I'm working off my own center"; Cyrano, a "character perfor mance, where I have to find areas of rage, anger and a fierceness that is not part of my surface personality." With Benedick, Jacobi says, he is playing a version of himself; with Cyrano, someone he admires and would like, ideally, to be.

Poet, philosopher, duelist and soldier, Cyrano is the sort of fellow who can rattle off heroic couplets while single-handedly dispatching an entire band of villains with his sword. If he is too ugly to win the hand of the lovely Roxanne, then he will use his eloquence to woo her for a rival, letting his own

feelings pour out in ringing streams of verse. In playing Cyrano, says Jacobi, "you have to have a bombastic freedom of emotion, where the emotion is oozing out of your fingertips. If he thinks it, he says it. If he feels it he shows it. Cyrano has a panache, a dazzle, an up-front, out-front, look-at-me

swagger that doesn't come naturally to me."

What comes naturally to Jacobi is "don't look at me — look at him." He says he is gentle where Cyrano is tough; timid, where Cyrano is angry and assertive. He admires those actors acclaimed for their "sense of danger"; envies others, famous for their temper tantrums offstage.

As for himself, Jacobi says he goes to herculean lengths to avoid confrontations and scenes: he rarely has rows and never raises his voice. Given an awkward situation, he will try to ignore it, and failing that, either make a joke or leave the room.

"I don't think I'm a very strong character," he says, a little wistfully. "I am dull, wishy-washy. I am indecisive, untemperamental. My emotions are un-



der the carpet: I'm told I have a great facility for switching off. Friends say, 'Oh, he's gone, he's gone.' They see a look in my eyes, and they know Γ m not around anymore. I guess it's a kind of defense. In many ways, I guess I'm very much like Benedick, who almost never shows his feelings - until the end of the play."

Like Benedick, Jacobi uses his "advanced sense of

humor" to hide his real feelings. And like Benedick, - who experiences himself as a bachelor in a world of couples, an adolescent court jester in a world of grown-up concerns - Jacobi suffers from a sense of being an outsider, someone more at home in the world of the imagination than in the real world.

In fact it was this capacity for dreamy wonderment, combined with a terrible insecurity about "who I am, where I'm going and why I'm here." that gave him a craving, an "absolute need" to act. On stage, he feels "in command — much more than in real life," because he knows who he is supposed to be and what is supposed to happen.

On stage, he finds, he can somehow "ennoble all the sad, distressing things that happen to you in

"It's a great panacea, acting," he says. "You can transform an emotion that was originally a hurtful one into something very soothing. For instance, my mother's death several years ago was hugely trau-matic for me. And yet on stage, if I can recall what it did to me at the time, it's no longer hurtful inside. It's a kind of purging process.
"Extraordinary things happen up there on stage.

Like today, I have a cold. I'm not feeling on top of the world, but I know tonight I have to go out there and play Benedick. The audience hasn't come to see a guy with a cold, and hopefully that's not what they'll get. My cold will be back here, waiting for me in my dressing room when I return, but out there, it's magic land. I know that sounds childlike but perhaps I never learned to grow up." When he was starting out as an actor, Jacobi

recalls. Laurence Olivier once offered him a piece of advice: "Find your own center, both as an actor and a person." What he meant, says Jacobi, is that while acting involves putting on various disguises, each character must be filtered through "the force that is you" -- "otherwise you're playing a creature with no heart, with no insides." Though his "feet are now more firmly planted on

the stage," Jacobi says he has yet to discover that "essential me." He worries that he lacks the sort of presence that gave old-time movie stars the ability to stamp a role as their own, and adds, a bit wistfully, that he hopes he "can make up in versatility what I

Because he is so insecure about the forcefulness of his own personality, Jacobi actually finds it more difficult to play a character, like Benedick, whom he feels close to, than one like Cyrano, who offers a

"If you're just taking the role off yourself, you're limited by your own personality," he explains. "And you have to be very confident about what you're doing I'm not, so I find it very difficult to project myself to the audience. It's also dangerous playing someone like Benedick because you can enjoy yourself too much. On occasion I've just forgotten about him, and it becomes me up there, having fun. Particularly in the soliloquies, It becomes you, talking to the audience, being chummy; and that distracts the audience from the total concept of the production. When that happens I have to say 'stop it, stop it. You're being self-indulgent." No such problems exist with Cyrano — a charac-

ter who demands a complete leap of the imagination, a character who gives Jacobi the chance to "hide behind various things." and also leaves him "more

susceptible to inspiration."

In developing his portrayal of the blustering soldier of fortune, the actor says he relied heavily upon suggestions made by the show's director, Terry Hands. Apparently Hands not only suggested possible interpretations - it was he who focused on the character's huge capacity for anger — but he also tried to goad Jacobi into giving a superior performance by appealing to his fears. As Jacobi recalls, Terry said, 'You're not a born Cyrano, so we have to justify the casting. If you don't get Cyrano right, it'll set your career back years. It was very painful for me at the time, but it ended up broadening my range as an actor."

As rehearsals continued, Jacobi began to discover aspects to Cyrano that were readily sympathetic, and in the process, he also found affinities with Benedick. The men in both plays, after all, are essentially loners, isolated from their fellows by temperament and condition. And both, in a sense, are actors, who use masterful histrionics to protect their inner selves:



The Global News

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Jacobi as Cyrano.

Just as Benedick hides his love for Beatrice behind volleys of sarcastic banter, so too does Cyrano conceal his vulnerability and thwarted love for Roxane

beneath his noisy displays of bravado.

Having become famous playing the crippled emperor in the television series "I Claudius," Jacobi points out that he is fascinated by "the sort of people who look one thing, behave one way, and who are something else inside." The emotional consequences of physical appearance are also familiar to him firsthand, for he suffered, as a teen-ager, from "the most appalling acre." "I either dared people to look at me, to focus on the boil at the end of my nose," he recalls, "or hid myself away. So I kind of know how Cyrano felt. Also, I am in a business that is very much a business of beautiful people, where beauty can open many doors and lead to many rewards.

In physique, Jacobi himself is slight; in demeanor, boyish, round-faced, impish rather than domineerboytsh, round-faced, impish rather than domineering. It is a fact, he says, that used to be the source of considerable worry. "I've always had this thing," he says, "that people will only accept you in a suffering role if you look as though you suffer. Hamlet's got to look as though he suffers. Now, if you look like me, you don't look exactly tragic. On the other hand, if you're darker, thinner, with sunken cheeks, you look haspand, harrowed. It's a very subtle difference but haggard, harrowed. It's a very subtle difference, but I'm sure it's there in people's mind. That's why I love putting on makeup, changing myself to go on stage."
"I need acting like blood," he goes on, "I come to life out there. How can I put it? — I can say I exist because I am an actor, not the other way around."

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